

**Supplementary information regarding policies to promote gender equality and employment
: Finland**

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REPORT FOR THE EUROPEAN COMMISSION'S GROUP OF EXPERTS ON GENDER AND EMPLOYMENT

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Gender equality in Finland

The gender equality situation on the Finnish labour market is quite good compared to some other European countries, especially if measured by different gender gaps. The employment gap is small, even when measured in full-time equivalents. The same applies to part-time work. In contrast, unemployment among women is quite high in Finland by European standards and the share of temporary employment is nearly the worst in the EU.

In Finland, women's employment rate had risen to 65.4% in 2001. The corresponding figure for men was 70.0%. The gender gap in employment had narrowed slightly from the previous year, being now 4.6 percentage points. According to the figures, the Finnish female employment rate is clearly above the Lisbon employment target for women.

The Finnish employment rates were greatly affected by the economic recession at the beginning of the 1990s. Before the recession, the female employment rate was 71% and the male one 77%. (Appendix Table 1.) The employment rates were at their lowest in 1994, at 59% for women and 61% for men. The rates were mostly affected by high unemployment. A closer examination of the male and female unemployment rates shows that the recession and the unemployment first affected the men. Their employment rate also rose faster than women's did after the recession. Since 1996, women's unemployment rate has been higher than men's.

Looking at the age structure, the female employment rate has risen especially in the older age groups of 50 to 64-year-olds. Unemployment rates have also decreased most in these groups (Appendix Table 2). Elderly women's employment and labour force participation rates have been quite high longer in Finland and in the Nordic Countries than in other countries in Europe. This is due to our longer tradition of women working outside the home. At the moment, employment rates among the over 50-year-olds are at about the same level as before the recession. With age groups younger than this, employment and labour force participation rates have fallen even from the pre-recession levels. Most of the difference comes from increased proportions of those participating in education or doing domestic work. As a matter of fact, women's activity rates in Finland began to drop as far back as in the 1980s, mainly because of their participation in education.

The employment rates of women according to the number of children have fluctuated together with the economic situation, but the peak was reached as

far back as in the 1980s. (Appendix Table 4.) At the moment, the employment rate among women with children aged under 18 is 70.0% while that among women with children under school age (7 years) is 54.7%. The figures are from 2001 (4th quarter), when women's overall employment rate was 63.6%.

Summing up on the basis of the information available from different sources, gender equality in working life is quite sustainable in Finland. It has a solid footing because of equality in education (Appendix Figure 1), good children's day care facilities and the long traditions of women's labour force participation and equal commitment to work at least as far as working hours are concerned.

On the other hand, there are still big problems in equality matters. These concern both the labour market position and conditions at work and the reconciliation of work and family life. Women's position on the labour market has deteriorated during the 1990s. Since 1996, the female unemployment rate has been higher than the male one. In 2001, women's unemployment rate was 9.7% and men's, correspondingly, 8.6%. In both rates, the decrease from the previous year was under one percentage point.

Employment opportunities have not increased in the public sector, especially in the municipal health care field, in spite of the obvious need for care personnel. This has meant sustained unemployment in women's typical occupations, such as nursing. Women have been forced to accept work with bad terms of employment, like fixed-term contracts, for example, which has affected their lives: increasing job insecurity has caused falls in the number starting a family and in the birth rate.

The high proportion of female fixed-term employment is one of the most serious equality deficits in Finland. The problem has even generated numerous research projects and policy discussions but no notable decrease has ensued. Even now (in 2001), 20% of female employees and 13% of male employees in Finland only have fixed-term contracts. This phenomenon has become significant during the 1990s. It is more typical for women to have fixed-term contracts in highly skilled jobs and in all age groups than for men among whom temporary employment is concentrated in jobs requiring low skills and in young age groups.

The gender pay gap is also a persistent problem in Finnish working life. According to Statistics Finland's index of wage and salary earnings (1999) women's monthly earnings as a percentage of men's was 82%. The pay gap remains wide despite the fact that women's educational level has risen above men's, women have as much work experience as men and statistics on working hours show that women, too, work long hours. Efforts to even out the gap have not been successful enough and many new trends in pay systems, like performance-based rewards or local agreements, have acted against these endeavours.

Current Council recommendations

Finland should:

1. Continue to review tax and benefit schemes with a view of 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.

The Council recommendations have, for several years now, included a suggestion to alter tax and benefit schemes. As an answer to this, two worries have been the most prominent in the Finnish NAPs, especially in 2001. One is to raise the *incentive* to take low-paid work. This means both cutting the taxation rate for these jobs and lowering of unemployment security. The other main worries seem to have been *employment bottlenecks* and projected lack of labour in some areas. These worries have been represented in an extremely gender neutral way.

There are no special policies for the *inactive population*. Persons who are neither attending education nor retired, and who are of working age, are very few in Finland. They belong to the group “performing domestic work” which totals fewer than 100,000 persons. Among women, this group is only 5.3% of the working age population (15-64 years). For employment policy this means that there is no need to draw up tax and benefit or skills development policies especially for these people in order to activate them.

Tax and benefit policies have, nevertheless, been an important part of the Finnish NAP. The Council recommendations emphasise this and the question of taxation has been dealt with in many Pillars and guidelines. The overall tax rate is expected to drop further and the Finnish NAP introduces numerous ways of encouraging entrepreneurship by lowering the tax burden on it. 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.

Ageing labour force should be seen divided into different groups according to work experience. In Finland, women in the elderly age groups have a different work history than women in e.g. other European countries do. They have worked longer, almost as long as men. They have also had full-time jobs and still borne the main responsibility for the family and domestic work. Efforts to keep women and men in work until the retiring age should take these national aspects into account. For example, part-time retirement could be emphasised more as an option.

2. 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.

A good aspect in this recommendation is that it also extends to the problem of wage differentials. Earlier recommendations have only referred to the high gender segregation on the Finnish labour market.

The question of gender pay differentials is especially important in Finland where all the preconditions for pay equality have been met. Finnish women are more highly educated than Finnish men, they have nearly as long work experience as men and they work mostly full-time and as long hours as men do.

One of the good things about the recession was that pay differentials did not increase during it. Wages did not rise much for anyone and different additional pay rewards like performance-based bonuses were not used widely. Centralised agreements also helped women retain their pay level in relation to men's.

While on the subject of pay differentials, the influences of the new trends in the labour market should be better predicted. These include new performance pay systems, local pay agreements and the tendency to pay only according to the work results, not the acquired education or work experience. These will lead to difficulties among women, in particular: it is more difficult in female dominated occupations, like care and office work, to show the quantitative results of work. In many cases in production organisations the typically female office work is left outside the performance pay system.

There is a need for a stabilising economic policy to give more support to the welfare services. In order to reduce the pay gap, centralised agreements would be needed and work value evaluation processes should be implemented in a broad comparison of female and male oriented occupations (e.g. nursing and engineering).

European statistics show that *gender segregation* in occupations and industries is among the highest in Finland. This is a clear consequence of the well-developed welfare services. Strong horizontal occupational segregation is, in principle, something that should be avoided. Even division of labour has a good influence on the working climate, according to some studies. However, gender segregation should not be accepted as a reason for other problems, like wage differentials. There must be other means of solving these equality deficits, e.g. work evaluation and equal pay processes.

The question of occupational segregation is more complicated than the Finnish NAPs give us to understand. A closer analysis would show that high gender segregation is quite an unavoidable consequence of high employment in the welfare services sector. All the Nordic Countries, which have large public health and social services sectors with female occupations dominating, have high scores in the segregation index. In addition, the segregation index is also somewhat misleading because it hides developments in opposite directions. In Finland, the male dominance of the occupational structure has diminished when women have crossed boundaries and worked more often in male dominated occupations. At the same time, the growth in women's labour market participation has concentrated in the female dominated occupations.

One of the main disadvantages in using the theme of segregation is that it has been seen as an explanation to other problems in women's and men's work. The gender pay gap, women's lower position on the labour market, part-time work, temporary work, even the higher strain experienced by women, have been explained by high segregation. It functions as an excuse for not doing anything direct to these problems. It is also quite demotivating for a woman in a typical female job, e.g. nursing, if the only suggested solution to low pay is change of occupation. It would be more important to support women's and men's, and boys' and girls', own orientations and freedom to make occupational choices.

Gender segregation should not be regarded as almost the only equality deficit. It is also problematic if the concept of segregation is used in very different contexts as vertical and horizontal segregation. Vertical segregation, which usually means women's difficulties in climbing the hierarchical ladders, is quite a different matter from occupational segregation. It is a matter that should be discussed at workplaces and in the so-called equality plans and equality reports, which are in Finland required by law (The Equality Act) from all organisations with over 30 employees.

3. 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.

Long-term unemployment is not a special female problem in Finland, unlike in the EU in general (the rates in Finland were 2.3% for men and 2.0% for women in 2001). Women are more likely to participate in different active labour policy measures. Still, the sustainable labour demand is directed more to the male than to the female labour force, which keeps the female unemployment rate at a high level.

In the last few years, employment forecasts have relied on the IT sector and its expansion. However, the latest developments have shown that even this sector can be vulnerable. This has put most of the endeavours directed toward increasing women's share in technical occupations in the hope of reducing the gender segregation of occupations under a new light.

Researchers from the Finnish Ministry of Labour have published new forecasts of future labour demand and shown that the most essential need for labour in the near future is in care work, almost 200,000 employees by 2015. This is both because of the increased need of care (ageing population) and because of retiring labour force (about 130,000).

These labour market bottlenecks have not been recognised at the labour policy level. Recommendations should perhaps be more exact when referring to the labour market bottlenecks and labour demands. This is especially needed from the gender perspective.

Special questions of measures mentioned in the NAP

“Equality on the labour market” project

In the Finnish Action Plan for Employment for the year 2000 it was decided to start a broad strategic project on the topic of “Equality on the labour market”. On 1 October 2001, the Finnish Ministry of Education set up a committee entitled “Equal labour markets”. The committee has the following targets:

- To draw up short and long-term plans for measures with which the choices of branches and courses made by school and university students can be influenced, and to monitor how these plans are being realised.
- To make a plan of measures for influencing the culture of workplaces in a way that also those in minority sex groups can get along at workplaces and have advancement opportunities.

The committee’s work will continue until the end of the year 2003. The committee consists of representatives of civil servants, labour market parties and organisations of teachers. Its main purpose is to influence the mechanisms for improving the occupational gender balance on the labour markets. The committee should co-operate in separate projects under the title “Equality on the labour market” mentioned in the Finnish NAPs.

The committee has made a summary of different equality projects that have desegregation as their goal. These projects have been financed by the European Social Fund or by the National Workplace Development Programme. The ESF projects have at least the following targets:

- To guide women to male dominated labour market bottleneck occupations, and to guide men to female dominated occupations
 - To influence the career choices of women and men by the means of information, advice, training and teacher education.
 - To support untraditional career choices even within workplaces.
 - To help the reconciliation of work and family life.
 - To increase the proportion of men among those using family allowances.

The ongoing projects can be divided into three different groups:

1. Projects which try to encourage women and girls to choose male dominated education and occupations, such as those in engineering or manufacturing. These projects are mostly advisory in character. They try to change girls’ attitudes towards technology and mathematics. The teachers of mathematics have also been trained to become more gender sensitive in their teaching. Different mentoring models have also been developed inside technical studies.

2. Projects that focus on developing new teaching methods for education in technology and manufacturing. For example, a so-called TiNA project is

working on improving the gender balance at the Department of Electronics and Communications Engineering of the Helsinki University of Technology. This project focuses especially on making the contents of the education and the education methods more gender sensitive and on helping female students in applying for and completing this kind of education. This has been done by developing methods that have proven to be important to women, such as increasing dialogue between teachers and students, increasing tutoring methods among students and also emphasising the cross scientific nature of education.

3. The third type of the projects comprises those encouraging women to self-employment in branches which have typically been male dominated. These projects concentrate mostly on the high tech branches of information and communication technology and new media. The target group is women who are planning to set up in business or who are already self-employed.

So far, only one of the projects under the programme “Equality on the labour market” is directed towards increasing men’s proportion in female dominated occupations. This project, “New careers”, focuses on unemployed persons and those threatened by unemployment. Its goal is to change women’s and men’s traditional career choices. The project will run through 2001 and 2002 and it is co-financed by the Ministry of Labour and the ESF.

Within the Ministry of Labour, there is also a special programme, “Equal labour markets”, which was developed under the larger programme of “Equality on the labour market”, and which, at the same time, is an answer to the European Council’s recommendations to reduce labour market segregation in Finland. The Ministry of Labour set up this project on 4 May 2001. Its goal is to implement measures in labour market administration by:

- Analysing the prevailing situation
- Collecting examples of good practices
- Developing new tools and means
- Developing labour market analyses
- Developing indicators of how labour administration influences segregation
- Introducing the viewpoint of desegregation into the Ministry’s productivity management processes
- Introducing the viewpoint of desegregation into the Ministry’s in-house training
- Introducing the viewpoint of desegregation into work life development programmes.

The aim is to integrate the idea of an equal labour market into the service processes of individual clients and employers. The project has concentrated on decreasing horizontal segregation, i.e. the fact that women and men work in different occupations and branches.

The majority of the desegregation projects in labour administration are also aimed at women and girls, encouraging them to educate themselves to the male dominated areas. Labour shortages in, for example, the metal industry and the IT sector have often been behind these endeavours. In contrast, there has been an absence of projects where boys and men are encouraged to

female dominated occupations. Shortage of labour is only beginning to affect these fields.

The main committee under the Ministry of Education has debated about putting emphasis on the encouragement of boys to opt for female occupations, like caring. The main focus here is on the early school years and on the changing of attitudes.

Equality in the workplace project

The labour market organisations implemented a project “Equality in the work place” already in 1998. It was a project for the evaluation of the equality situation at workplaces and for the creation of criteria for this evaluation. These criteria were published in 1999 under the heading “Good and equal work place”. The criteria were later developed further at the Helsinki University of Technology with students working on a practice course.

This project, with some 9 to 12 work organisations, has shown the importance of labour market partners. It has actively sought out work organisations and encouraged them to participate in equality work. This project was financed by the National Workplace Development Programme, which also finances the current follow-up projects.

In the original project and in its follow-up projects, the following criteria were formulated for a good and equal workplace:

- The values and culture of the enterprise (equality as value)
- The extent to which equality is realised (equality plans, accepting diversity)
- Climate and sociality (social relations)
- Common goals and the importance of an individual’s own work
- Possibilities to influence own work and participate in decision making
- Pay and the rewarding policy (equal by gender)
- Career and advancement opportunities
- Information supply and communication
- Working conditions (equal work load, working hours)
- Reconciliation of work and family life.

This project continues now as the “Mosaic Project” with 10 work organisations and subprojects in different sectors. It continues to be financed by the National Workplace Development Programme. The development actions focus on issues such as turning differences into advantages, the learning organisation, and the effects of an equal workplace community on productivity. This new project will last until the end of 2004. The targets for the projects in the different organisations will be confirmed after discussions of specific needs. However, the following principles will be common to all of them:

- Extension of the concept of equality to the understanding of diversity and differences
- Promotion of know-how in the managing of diversity
- Making equality planning a living practice in organisations
- Transferring good practices between organisations through networking
- Supporting organisational changes towards structures that allow equality and diversity.

The biggest change in this new project compared to the earlier one is that the focus is no longer on gender equality but on diversity. The adoption of this broader concept has made it easier to find researchers and get work organisations to join in. The problem from the gender perspective is that some special gender related questions and deficiencies may be missed and neglected.

ANNEX

Table 1. Employment rate in 1990-2001 by gender

	Women	Men	Total	Gender gap (difference in percentage points)
1990	71%	77%	74%	-5%
1991	68%	72%	70%	-3%
1992	64%	66%	65%	-2%
1993	60%	62%	61%	-2%
1994	59%	61%	60%	-2%
1995	59%	63%	61%	-4%
1996	60%	64%	62%	-5%
1997	60%	65%	63%	-5%
1998	61%	67%	64%	-6%
1999	64%	68%	66%	-5%
2000	64%	69%	66%	-5%
2001	65%	70%	68%	-5%

Table 2. Labour force participation rate in 1990, 1994 and 2001 by age and gender

	1990			1994			2001		
	Women	Men	Gender gap	Women	Men	Gender gap	Women	Men	Gender gap
15-19	42%	39%	2%	26%	25%	1%	36%	30%	6%
20-24	70%	74%	-4%	57%	64%	-6%	66%	71%	-5%
25-29	81%	92%	-11%	74%	87%	-13%	76%	90%	-14%
30-34	84%	96%	-12%	80%	93%	-13%	81%	94%	-13%
35-39	89%	95%	-6%	85%	93%	-8%	86%	95%	-9%
40-44	90%	95%	-5%	90%	93%	-3%	89%	92%	-3%
45-49	90%	92%	-2%	89%	90%	-1%	89%	89%	0%
50-54	84%	86%	-2%	84%	84%	1%	86%	86%	0%
55-59	61%	63%	-2%	61%	63%	-2%	71%	69%	2%
60-64	21%	30%	-9%	16%	22%	-7%	24%	30%	-6%
Total	73%	80%	-6%	69%	75%	-6%	72%	77%	-5%

Table 3. Unemployment rate in 1990, 1994 and 2001 by age and gender

	1990			1994			2001		
	Women	Men	Gender gap	Women	Men	Gender gap	Women	Men	Gender gap
15-19	14%	16%	-3%	39%	44%	-5%	28%	29%	-1%
20-24	6%	7%	-2%	27%	34%	-8%	16%	16%	0%
25-29	2%	3%	0%	17%	21%	-4%	12%	8%	4%
30-34	2%	2%	-1%	14%	16%	-2%	10%	8%	2%
35-39	1%	3%	-1%	12%	15%	-3%	8%	5%	3%
40-44	2%	2%	-1%	12%	14%	-2%	7%	7%	0%
45-49	1%	2%	-1%	11%	14%	-3%	6%	7%	-1%
50-54	2%	4%	-2%	11%	14%	-3%	8%	7%	1%
55-59	3%	3%	0%	19%	24%	-6%	10%	11%	-1%
60-64	1%	0%	1%	12%	8%	4%	6%	6%	0%
Total	3%	4%	-1%	15%	18%	-3%	10%	9%	1%

Table 4. Women's employment by the age of children, Finland

	Activity rate				Employment rate		
	1987*	1991	1993	2001	1991	1993	2001
Females	70.8	69.3	68.8	69.8	63.5	57.5	63.6
No children under 18 years	61.4	61.2	60.5	65.7	55.6	49.8	59.9
With children under 18 years	85.2	81.4	81.3	77.0	75.2	69.2	70.0
With children under 7 years	79.0	69.0	72.9	62.8	62.8	61.1	54.7

* 4th quarter of each year, Finnish Labour Force Survey

1. Employed by sex and level of education

The Finnish Labour Force Survey 1990 and 2001

