

TOIMIHENKILÖKESKUSJÄRJESTÖ



Gender Pay Cap in Finland

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Gender pay cap in Finland – background and explanations

- The employment rate among women and men is almost the same
- Equal pay is the basic condition for a fair, good quality, productive working life
 - despite this fact the gender pay cap is a serious problem in the Finnish working life
- On average, women's pay based on regular hours is about 17% less than men's (Statistic Finland, Index of Wage and Salary Earnings 2017)
 - the situation has not changed significantly during past years, ten years ago 2008 women's pay was on average 18,8 % less than men's
- Some half of the pay gap can be explained by the fact that women and men work in different fields and jobs
 - very strong gender-based segregation
- Care and service jobs are female-dominated and these jobs are not as highly valued as equally demanding jobs in technical fields (that are male-dominated)
 - lower wages are often paid for female-dominated jobs



Gender pay cap in Finland - background and explanations

- Women have more fixed-term employment contracts than men
 - out of all the employees 19 % are women and 13 % are men (Statistic Finland 2017)
- Women's career development is lower, fewer women than men progress to senior management levels and women more often in jobs which are lower in hierarchy
 - even though women are highly educated
- Caring responsibilities are unequally shared. Women take more and longer family leaves than men which affects mother's career and pay
 - out of all family leave days mothers use about 90 % and fathers about 10 % (Statistic Finland 2017)
- The pay gap affects also pensions
 - women's average pension is about 22 % less than men's so it is even more than the pay gap



The Act on Equality between women and men

- Every employer must promote gender equality in working life in a goal-oriented and systematic manner
- Workplaces employing at least 30 people must also draw up a gender equality plan at least every other year
 - the work place gender equality plan is the most important tool for promoting equality at work
 - the plan contains an assessment on the gender equality situation in the workplace, necessary measures and review of the previous plan
 - a pay survey must be included into the plan and if it is done correctly it should show the pay discrimination between women and men



The Equal Pay Programme

- The gender pay cap is an equality problem for which there is no instant solution. Instead, narrowing the pay cap requires sustained efforts in the long term across many different sectors
- Tripartite programme since 2006
 - The Finnish Government and the central labour market organisations (social partners)
- Now we are in the midst of period 2016-2019
 - the main target of the programme is to narrow the average gender pay cap and ensure that the principle of equal pay set out in the Act on Equality between women and men is implemented.
 - since the programme started in 2006 the gender pay cap has narrowed about three percentage points. The programme states that if the previous progress continues at the same pace the average pay cap would narrow down to 12 % or less by year 2025
 - themes in the programme
 1. pay and agreement policies
 2. wage systems, workplace equality plans and pay surveys
 3. overcoming the gender division in employment and education
 4. reconciling work and family life



The Equal Pay Programme

1. Pay and agreements politics

- promote equal pay by means of collective bargaining
- enhance the role of gender impact assessment in collective agreements

2. Wage systems, workplace gender equality plans and pay surveys

- encourage wage systems that are based on the demands of the work and on individual performance appraisals
- reinforce the effectiveness of equality plans and pay surveys in workplaces

3. Overcoming the gender division in employment and education

- focus on increasing the proportion of men in female-dominated sectors and vice versa
- focus on raising the proportion of women in leadership and supervisory positions

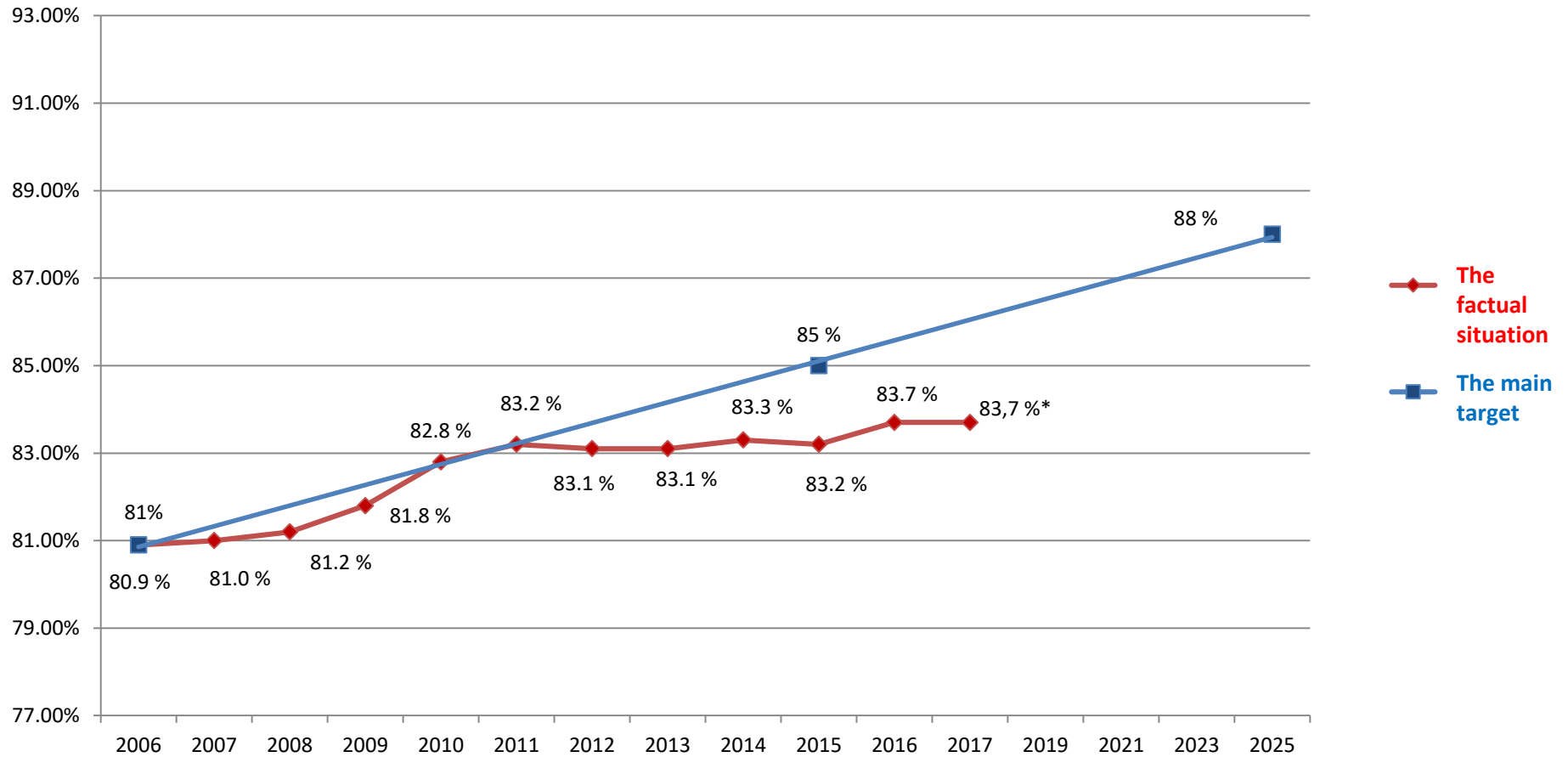
4. Reconciling work and family life

- improve ways of balancing work and family life, and encouraging fathers to use family leaves



The Equal Pay Programme

- the main target and the factual situations



Womens' average pay on regular working hours compared to mens' average pay on regular working hours



Social partners in Finland tackling the gender pay cap

- Social partners are adhered to the tripartite Equal Pay Programme
 - we have participated in the preparing
 - the programme includes our mutual view of how to tackle the pay cap
 - The social partners carry out the programme together with the government
- Social partners have given joint written recommendations
 1. How to combine work life and family life (good practices for work places)
 2. The check list on how to prepare better equality plans at work places
- The central trade unions STTK, SAK and Akava also work jointly on tackling the pay cap
 - for example our latest action was that we sent a joint letter with ETUC to the Finnish Prime Minister to call for support to swift progress on Work-Life Balance Directive

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Thank you

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