



# The Restructuring of Finnish Trade Unions – the Growing Importance of Women<sup>1</sup>

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## ABSTRACT

The membership profile of Finnish trade unions has changed from male-dominated industrial workers to female-dominated service and public sector workers who are more highly educated. The Finnish labour market is strongly divided into female and male occupations and sectors, and these intersectional differences play an important part in the differentiation of developmental paths. The erosion of membership is mainly due to the rapid growth of the independent unemployment fund (YTK) competing with unemployment funds associated with trade unions. YTK has been much more successful in recruiting private sector male workers than women. Men's decisions not to join the union are related to the shift in the motivation to unionise from social custom to instrumental reasons. Along with the gender majority shift, union identification has changed, and unions need to carry out 'identity work' to attain members. The shift in gender proportions has also had consequences for the collective bargaining system.

## KEYWORDS

*Trade unions / gender / employment sector / Finland / membership of trade unions*

## Introduction

The Finnish trade union movement had its heyday in the 1990s, when union membership rose to approximately 80% of all persons in work. Since then, the unionisation rate has gradually declined. Despite 25 years of gradual decline, the Finnish trade union movement has remained strong relative to most countries of Europe. The decline in membership is connected to concession bargaining, narrower room for wage increases (which is partially due to joining the monetary union) and employers' associations' aggressive position in decentralising collective bargaining and the erosion of the Ghent system (Böckerman & Uusitalo 2006; Ahtiainen 2011; Bergholm 2012; Ahtiainen 2019a). The private sector has undergone structural changes due to global pressures; the sector has also been subject to more aggressive anti-union campaigns on the part of employers. These tendencies have led to the gradual decline in male blue-collar unionism and increase in female white-collar unionism.

One outcome of these trends is the feminisation of the Finnish trade union movement and the faster decrease in male affiliation. Although Finland is a dual-earner society,

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men still constitute the majority of the labour force and employment. However, since the recession of the 1990s, women's share has increased on both counts. Since 2010, women have formed the backbone of the Finnish trade union movement. There has been an overall decline in trade union membership since the recession, while the decrease in male trade union membership has been larger than the drop in female membership.

With calculations based on Finanssivalvonta's (2020) figures, we estimate that the percentage of females in trade union membership in Finland is 57 percent. In fact, the Finnish rate is not extraordinary compared with some Eastern European countries such as Croatia (around 60%), Estonia (around 60%), Latvia (65%), Lithuania (54%) and Poland (59%). What is more, the rise in female membership in Ireland in recent years has been significant (currently at 56%) (ICTWSS 2020). However, in these countries – perhaps with the exception of Ireland – the high share of female membership is linked to quite low membership rate and the concentration of trade union membership in the public sector. Among the Nordic countries, the development in Norway (at about 55 percent female membership, according to the aforementioned source) is analogous to that in Finland. The development of the structure of unionisation has followed a similar pattern in the two countries.

Such a development provokes a question: *what is behind the development towards more female, less blue-collar unionism? How is this development reflected in the identity (work) and bargaining situation of trade unions?* To study these questions, we draw upon Nordic and Finnish statistics, on which we base our key 'more female, less blue-collar' argument, after which we turn to social movement, social custom and 'repertoires of contention' frameworks to analyse Finnish unions' organising and bargaining positions.

In this article, we first familiarise the reader with the main features of Finnish industrial relations. We then consider the 'more female, less blue-collar' tendency in trade union membership in comparison with the situation in other Nordic nations. This leads us to elaborate on the social movement basis of unions, as well as union members' social customs and instrumentalism as reasons for membership. Thereafter, the ethos of joining unions is scrutinised against the backdrop of Chris Tilly's (2006) 'repertoires of contention' – identity, standing and programme, where the changing identification with unions is also considered. We then elucidate the effects on collective bargaining. The conclusion section sums up the main findings.

## Background

Finnish trade unions reached their organisational peak in the mid-90s, when unemployment was high, and the country was in deep economic recession. After this peak, the membership rate of Finnish trade unions declined from 78,5% in 1994 (Ahtiainen 2011) to around 60% in 2017 (Ahtiainen 2019a). The reason for the comparatively late peaking point was the unemployment insurance system associated with trade unions. The Finnish unemployment insurance system was reformed thoroughly in 1960, when the earlier Ghent system<sup>1</sup> was changed for a properly funded system (Bergholm 2009). The only countries among 20 OECD members that managed to increase their trade union density between the 1970s and early 2000s were Denmark, Finland and Sweden, which used the Ghent system (OECD 2004, 144; Visser 2006).

Although Finland has been regarded as having a Ghent-type unemployment insurance, it has been possible to be affiliated to an unemployment fund without having to join a union (Böckerman & Uusitalo 2006). The ‘missing link’ between trade unions and unemployment funds was realised in 1992, when the General Unemployment Fund (YTK), not affiliated with trade unions, was established. Böckerman and Uusitalo (2006) consider the erosion of the Ghent system as the main reason for union decline in Finland between 1993 and 2002. Having been supported by many employers, the YTK has played a major role in this development (Böckerman and Uusitalo 2006; Bergholm 2012; Finanssivalvonta 2020). The YTK has gained nearly half a million members to date (Brännare 2020).

Membership of an unemployment fund provides eligibility for earnings-related unemployment insurance. Those who prefer non-union unemployment insurance typically choose YTK. There is a striking gender difference in preferring such an option: in 2020, 24 percent of male wage-earners did so, but for females the figure was 15 percent (Keyriläinen 2021, 153). Joining an unemployment fund is voluntary, although virtually all union members are simultaneously members of a union-administered unemployment fund. Here we see the opposite development: 77 percent of female wage-earners were members of a union with the corresponding male figure being 61 percent (*ibid.*).

The appearance of the YTK cannot exhaustively explain the decline in union membership. Since 1991, the Finnish trade union movement has been on the defensive, and employer organisations have been proactive and taken the lead. A centre-right government was in power at the time and the fall of the Soviet Union inspired the employers’ federation to demand a complete revision of the whole system of industrial relations. In September 1991, the employers’ confederation proposed amendments to labour law to allow comprehensive reforms of collective bargaining in a more flexible direction. Nevertheless, the reforms did not materialise then, and the pressure was temporarily alleviated when the Social Democratic party returned as a government party in 1995 after success in the general elections. In the long run, however, it has become evident that the employers have strengthened their position as regards labour market policy. A manifestation of such ‘concession bargaining’ on the part of trade unions since the 1990s has been that employees’ contributions to pensions, unemployment insurance and social security payments have increased steadily, while employers’ contributions have decreased.

At the same time, Finnish employer organisations’ strategy to decentralise collective bargaining has gained ground. The era since the 1990s can be characterised as an era of concession bargaining. First, the employers’ organisations abandoned centralised agreements between employers’ and trade union confederations – first in principle in 2005, and in practice in 2018; and in the autumn of 2020, forest industry employers took the initiative to abandon sectoral national collective agreements for company-level bargaining instead. (Bergholm 2011; Jonker-Hoffrén et al 2021.)

Finnish industrial relations changed substantially in the 1970s, when collective agreements made by encompassing employer and trade union organizations became nationally binding. This meant that employers not affiliated with a national employers’ association had to apply the same wages and other conditions of collective agreement in their employment relations. (Bergholm 2012, 121–133) During its first decades, this arrangement gave unions a boost, but in this millennium the number of free-riders – those who have not been members of negotiating unions but gained benefits – has increased.



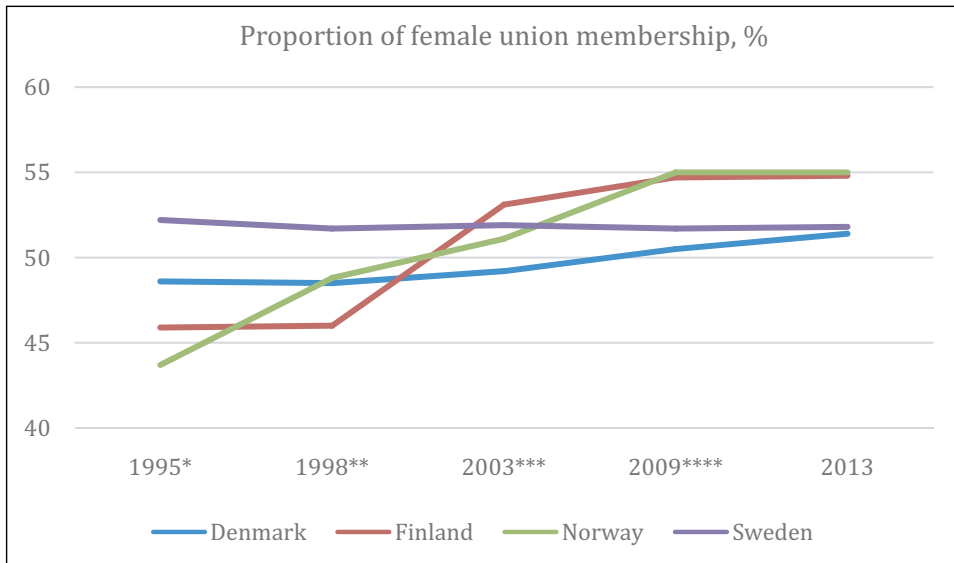
This increased free-riderism has not decreased the coverage of nationally binding collective agreements although union membership has been in decline (Ahtiainen 2019b).

In the 1970s and 1980s, Finland was in the top league of industrial conflicts in West Europe. There were still some ‘low trust’ elements in Finnish industrial relations until the 1980s, which was seen in its high strike incidence compared to other Nordic countries (Kettunen 2004, 292). In early 1990s the number of strikes and workdays lost fell dramatically. The economic crisis of the early 1990s and permanent high unemployment even after the crisis provided a basis for a new realism in the unions. During this millennium, employer organisations have been more aggressive and unions mainly in a defensive position during collective bargaining rounds and in public debate about changes concerning social wages, especially pensions. The low level of industrial conflict has also predominated in Finland in this millennium. There is still some fluctuation in the number of strikes and lockouts and the number of days lost, but the peaks are much lower than in the 1970s and 1980s.

### Membership shifts in confederations with an analogy to Norway

The rate of female union membership has followed a different pattern in Finland and Norway than in Denmark and Sweden. In the former two countries, the beginning of the 2000s saw a drastic shift in the female-total membership ratio, steadying in the 2010s (see Figure 1). In the latter two, the Danish figure has increased slightly but became similarly steady at a bit over 50 percent, along with the Swedish.

**Figure 1** Development of female union membership in Denmark, Finland, Norway and Sweden, % of total membership, 1995–2013.



Source: ICTWSS.



To analyse the recent shift toward more female union membership in Finland, one needs to look at the relative positions of trade union confederations in terms of membership figures. The membership of Finnish trade unions was more female and more formally educated in 2020 than 20–30 years earlier. The trend is seen in the shifts in the relative strength of confederations in favour of AKAVA (Confederation of Unions for Professional and Managerial Staff in Finland) (see Table 2). The Finnish Confederation of Professionals (STTK) recruits members with college or university of applied sciences degrees, and it has managed to maintain its relative position. AKAVA was traditionally a confederation for people with university degrees, but today it competes with STTK for professionals with lower qualifications. (Ahtiainen 2019a; Finassivalvonta 2020.)

**Table 1** Strength of Confederations (union members in labour force), 2006–2019

	<b>SAK</b>	<b>STTK</b>	<b>AKAVA</b>	<b>Independent</b>	<b>Total</b>
2006	798817	471325	392328	13917	1676387
2009	757250	468431	415479	13694	1654854
2019	552745	376050	489160	18888	1436843
2006	47,7%	28,1%	23,4%	0,8%	
2009	45,8%	28,3%	25,1%	0,8%	
2019	38,5%	26,2%	34,0%	1,3%	

Source: Finassivalvonta 2020.

There are clear differences in how member unions in different confederations have reacted to the decline in membership. In the mainly blue-collar confederation SAK (Central Organisation of the Finnish Trade Unions) and STTK, there have been many union mergers as a reaction to downward trends. AKAVA has experienced more positive membership development and very few mergers. In AKAVA, even small unions defend their formal independence although collective bargaining is in the hands of larger bargaining cartels such as The Federation of Professional and Managerial Staff (YTN) in the private sector and the Negotiation Organisation for Public Sector Professionals (JUKO) in the public sector.

Due to mergers, the three largest unions dominate in SAK and STTK. In STTK, The Union of Health and Social Care Professionals in Finland (TEHY) is by far the largest member union with 130 000 members in the labour force. TEHY, with Trade Union Pro, representing trained professionals, experts and managerial staff, and The Finnish Union of Practical Nurses (SUPER), represent about 73% of the members of STTK combined. The union structure of AKAVA is more heterogeneous. The combined membership of the four largest unions comprises approximately 52% of this confederation's membership base. The largest Union is the Trade Union of Education in Finland (OAJ), which has gathered all kinds of teachers under its umbrella, ranging from kindergartens to vocational training and universities of applied sciences (polytechnics). AKAVA has 21 unions with less than 10 000 members. It is currently the confederation with the highest number of unions.

There are also independent unions in Finland, but they play a minor role in general industrial relations. The most notable of these is the Union of Journalists in Finland



(Journalistiliitto), which has nearly 14,000 members. It was formerly a member of the professional employees' confederation (then TVK) but was expelled in 1974 due to the union's refusal to support the general strike. Trade union confederations dominate the organisational field in Finland. Independent unions outside confederations represent a small proportion of the total membership and they have minor influence in collective bargaining outcomes and other industrial relations issues.

The shifts in gender composition of particular confederations derive from changes in the relative strength of occupational unions. In the aggregate, the loss of membership has been greatest among blue-collar workers, represented by SAK, the decline being 82,300 between 2013 and 2017 (Ahtiainen 2019a, 29). Within SAK, Service Union United (PAM) and the Trade Union for the Public and Welfare Sectors (JHL) are female dominated; their relative share in the confederation is increasing but total membership is not.<sup>2</sup> Against this backdrop, it is somewhat surprising that female membership in SAK-affiliated unions has declined more, by 45,100, than male membership, by 37,200, between 2013 and 2017 (Ahtiainen 2019a, 29).

STTK, with the strong health care unions TEHY and SUPER, is the only confederation with a substantial female majority in its membership unions (see Table 2). However, it is not undergoing a significant growth in membership either. On the contrary, it has lost 79,700 members of affiliated unions between 2013 and 2017, which is almost as many as SAK has lost. It is worth noting that while female membership in STTK has dropped by 28,200, male membership has plummeted by 51,500 between 2013 and 2017 (Ahtiainen 2019a, 29). The only confederation with growing membership is AKAVA, which has grown by 23,800 female and 24,600 male members between 2013 and 2017 (*ibid.*). Analogies are easy to find in Norway, where the LO unions have lost membership relative to professional unions or unions representing the highly educated (Neergaard 2014).

**TABLE 2** Gender balance of Confederations (union members in labour force 2019)

	<b>SAK</b>	<b>STTK</b>	<b>AKAVA</b>	<b>Independent</b>
Women	254538	282394	275066	11728
Men	298207	93656	214094	7160
Women	46,0%	75,1%	56,2%	62,1%
Men	54,0%	24,9%	43,8%	37,9%

Source: Finassivalvonta 2020.

It is worth noting the great loss of men in the STTK-affiliated unions, those representing middle-rank employees with college or university of applied sciences degrees. This is partially explained by the move of many male-dominated unions from STTK to AKAVA since 2013 (Ahtiainen 2019a, 30). However, the combined loss of male membership of STTK and SAK makes one wonder if the traditional male basis for trade union membership in Finland is vanishing.

The relative positions of Finnish trade union confederations in terms of membership is analogous to the situation in Norway. Firstly, we have to admit that the total

union density in Norway over the past decades has remained approximately the same; in Finland it has steadily decreased. Thus, Finland has seemingly undergone a change – other than the shift in gender balance – in union membership that Norway has not. Secondly, the Norwegian analogue to SAK, the LO, recruits workers from all ranks, including employees with higher education (Neergaard 2014); this is not the case with SAK. This raises questions about the sustainability of the industry-union based organising structure in the Finnish case, when the old membership base is dissolving.

Thirdly, and perhaps most importantly, there has traditionally been a wide gap between public and private sector membership rate in Norway – the public sector being much more highly unionised (at 80 percent in 2013), a rate similar to that in Finland (at 76 percent in 2013). The unionisation rate in the private sector remained relatively high (at around 61 percent in 2013) in Finland (Ahtiainen 2019a), while it was only 38 percent in Norway in 2013 (Neergaard 2014). Therefore, the gap between the public and private sector in Finland has not been as wide as in Norway. Although the proportion of females in trade union membership has followed a similar trend (see Figure 1) in both Norway and Finland, the decline in the traditionally male-dominated private-sector unionism in Finland in particular requires explanation. In the following sections, we seek explanations for the situation from the changing nature of union membership in Finland.

### **Trends in union membership in the light of social movement, social custom, and the instrumentalist ethos**

Ilmonen and Jokivuori (2000) discuss the dual effect of the economic recession in the 1990s and growing individualism on Finnish trade unionism. The origins of Finnish trade unionism lie in the labour movement. As a point of departure, the advocates of a centralised trade union movement regarded themselves as leaders of a movement, which advanced mutual solidarity, acted as a party to labour-capital conflict and broke up the limits of the system (Kettunen 2001, 135). While in the 1970s, workers' attachment to the union complied with trade unions' increasing power in the society and active participation in strike movements and party politics, the attachment of the generations after that has been much more instrumental (Julkunen 2008, 68; Kevätsalo 2005, 34).<sup>3</sup> Even in the 1990s, one could argue that the link between instrumentalist work orientation and professionalism worked successfully in the field of interest articulation and collective bargaining (Kettunen 1998, 71). In the light of the falling union membership figures among middle-rank work positions, such a link seems to be fading.

One should not forget the effects of a favourable institutional environment for union membership, which prevailed in the decades prior to the 1990s. Then, the rise in union density reflected changes in workers' attitudes towards unionisation. This was due to the combined effect of the increased attractiveness of the Finnish trade union movement, worker-favouring changes in legislation, and public policy measures toward unionisation (Pehkonen & Tanninen 1997). The institutional incentive base has altered in a direction emphasising a competitive state and individualist responsibility (Julkunen 2008; Kettunen 2004).



Does the instrumentalist affiliation with unions hold exhaustively in the current situation, where the social movement explanation for union attachment has gradually lost its way? This argument is somewhat supported by Pehkonen and Tanninen (1997), who found that the strongest motive for trade union membership among blue-collar workers was a better unemployment compensation scheme, followed by improvement in wages and salaries; among all employees, the order of these two (still most important) motives was reversed. However, it is exactly those instrumentally-thinking blue-collar workers whose proportion has decreased the most among Finnish unions. Paradoxically, either the benefits provided by the unions are insufficient for the potential instrumentally-thinking members, or the services and benefits provided by the unions do not constitute a sufficient motive to join them.

Pehkonen and Tanninen's (1997) findings did not support the prevalence of the social custom theory in explaining union affiliation in Finland. The promoters of the social custom model in trade union membership emphasise reputation, or more specifically, the loss of reputation when one disobeys the rules and customs of society. This is close to Schnabel and Wagner's (2005) 'interactionist' determinant of union membership, where union participation is inextricably bound up with group culture and an individual's decision to join a union is strongly influenced by their life and work environments. D'Agostino (1992) interestingly associates the social custom of being member with the reputation of unions in increasing wages and providing other benefits: "Unions provide a good for their members i.e., reputation associated with being a union member" (p. 3).

When it comes to men's declining union membership, there appears to be a simultaneous effect of eroding social custom and change in collectivist values at play. The drop in trade union membership since the mid-1990s is due to the choices of those workers who traditionally constituted the core membership of unions for YTK rather than choosing to join an unemployment fund administered by a trade union. What is more, there is some evidence that men and women have different attitudes toward collective organisations. Perhaps female workers are against the individualist ethos in the society. Ilmonen and Jokivuori (2000) found that young females in the Finnish clerical employees' movement in particular relied ever more strongly on collective ways of thinking.

Special attention needs to be paid to the developments of the work organisation in the sectors losing membership. First, they have been affected by the influx of migrant workers, who are strikingly less unionised than their Finnish colleagues. For example, in the construction industry, which has been strongly unionised with generally 70 percent unionisation rate, the union density among migrant workers was at 12–14 percent in 2012 (Alho 2013). As parts of work processes are outsourced and supply chains lengthened, the hold of the grassroots shop steward and work safety officials on workplaces has weakened in construction and manufacturing, whereas it had already been weak in the service sector. What is more, as supply chains lengthen and parts of work processes are outsourced, large organised enterprises cease to exist – and 'closed shop' arrangements become impossible. This also explains why the social custom theory is losing its explanatory power in the sector comprising marginal workers: the critical mass needed – at around a half of the workers unionised – to accelerate unionisation is lacking (see Ibsen et al. 2017).



## Trends in union membership in light of Tilly's repertoires and unions' identity work

In a situation where blue-collar men in particular identify more loosely with unions and do not see a purpose – that is, the standing and programme – for the unions, Chris Tilly's (2006, 184–185) 'repertoires of contention' would serve as a framework for trade unions' future strategies. The repertoires comprise three elements (in parentheses as Hyman, 2007, presents them): 1. identity ("the assertion that those involved are a group with distinctive interests and the capacity to pursue these vigorously"); 2. standing ("the insistence that these deserve to be taken as seriously as the claims and interests of other more powerful socio-economic groups"); and 3. programme ("an integrated set of demands"). All these three are mutually supporting, and according to Hyman (2007), all three have weakened as a general trend. He asserts that new vocabularies that would give meaning to the three elements of trade unionism would be the key to union revival.

The 'identity' element deserves particular attention in the Finnish context. Given the tendency toward greater female trade union movement, it is worth noting that there are still expectations that interest defence in male-dominated workplaces is 'tough' and in female-dominated ones 'weak'. Kainulainen and Saari (2014) found in their study on private service shop stewards that the bulk of the time of trade union officials is engaged in the retention of the membership base, recruiting new members and arguing why individuals should join the union. In the view of the shop stewards, the times are gone when the employer had to agree to the demands of unions in the face of strong unions and the threat of strikes.

The occupational identity of health care workers is clear and connected to their education. The growing health care unions TEHY and SUPER both have similar advantages in recruiting new members. TEHY organises mainly nurses with university of applied science degrees, and SUPER college-educated practical nurses. The education of health care occupations includes training inside highly organised workplaces. These unions recruit students into union membership early. The student organisation of TEHY reports that it has 18 000 members and the student organisation of SUPER that it has 15 000 members.<sup>4</sup>

Identity revolves around age as well. Trade unions do not seem to be attractive to young people. The problem is clearly seen in union membership statistics in all Nordic Countries (Andersen et al. 2014). Lönnqvist-Ahvonen (2019) found in her research on youth activity in Trade Union Pro that the activities organised by the union compete with other uses of free time. Long working hours and family life need to be reconciled, which does not allow much room for other activities unless they are particularly interesting; moreover, there was little knowledge of the events organised by the union.

There is probably also a problem with Tilly's 'standing' repertoire implying that unions have not been capable of taking the issues of young males in particular as seriously onto their agenda. Finnish unions have not been able to attract young full-time workers. There is much discussion about marginal workers in the Finnish trade union movement, but the main problem of unions is the flight of young male full-time core workers to YTK. It appears that the identification with trade unions in the Finnish context is no longer based on male worker – or masculine – ideas, where unions need to initiate identity work on a new basis.



All this leads to the question of setting a coherent programme – the third ‘repertoire of contention’ in Tilly’s (2006) framework – for unions. Finnish unions are still experimenting with new channels of influence and innovating in recruiting new members on these grounds. While the traditional sphere of influence of trade unions and employers’ associations has revolved around the *tripartite arena* (negotiations between the labour market parties and the state) and *bilateral arena* (collective bargaining), the parties have had limited access to the *unilateral arena* (state legislation and policy) (Ilsøe 2017). As the private sector employers’ confederation, Confederation of Finnish Industries (EK), has withdrawn from centralised bargaining and the employers’ federations pushed to shift the locus of bargaining to the local level, the unilateral arena of influence might provide trade unions with a platform on which they might gain influence.

Besides shaping the public image of institutions, media visibility and social media campaigns are capable of pushing agendas on the unilateral arena of influence (Ilsøe 2017). Hence, campaigning in public may affect the power positions of the labour market parties, and eventually state-level regulation. Finnish unions have recently also become active in public in pushing their negotiation goals. A case in point was the Finnish nurses’ industrial action in 2007, where the nurses made a strong argument for their levels of compensation that was represented as a structural bias. The action made the vested interests of various stakeholders within the Finnish corporatist regime visible (Koskinen-Sandberg & Saari 2019). Also, while Finnish labour market parties have traditionally been regarded as backward in gender equality issues, they have assumed a new role in enhancing gender equality (Elomäki et al. 2019).

## Consequences for collective bargaining

Ilmonen and Jokivuori (2000) anticipated that trade unions would face a more heterogeneous arena for interest defence due to the rise of individualism and professional unionism. Such tendencies, as we pointed out, have left Finnish trade unions in a new situation in terms of identity, standing and programme. The defence of interests takes place in the regime of collective bargaining, which is currently becoming more individualistic.

Finnish employers’ and entrepreneurs’ associations have long preferred to shift the locus of bargaining further to the local level. The first steps toward this goal have already been taken. The employers’ federation for the forest industry, Finnish Forest Industries, which is not affiliated to any confederation, announced in October 2020 that they would shift collective bargaining negotiations from the sectoral to the local level. Although the decision came as a surprise to most parties, the Technology Industries of Finland and the Federation of Finnish Enterprises welcomed it warmly. They seem to regard such a development as natural and self-evident in the future. The next bargaining round of sectoral collective agreements will take place in 2021–2022, and it remains to be seen whether the Forest Industries’ decision to withdraw from sectoral bargaining will be followed by similar announcements by other employers’ associations. In the forest industry collective bargaining has already occurred largely at the local level, whereas in other industries or sectors, such a tendency has been less prominent.

The Finnish collective bargaining system has been traditionally labelled as a centralised one, while the main locus of negotiations has been on the confederation level. One might argue that the apogee of the Finnish collective bargaining system came between

1968 and 2007, when the tripartite centralised income agreements (TUPOs) were concluded almost uninterruptedly. The Finnish government introduced the first model of the TUPOs in 1967 (Bergholm 2007, 391). The TUPOs were essentially framework agreements for bargaining at the sector level (Böckerman & Uusitalo 2006; Malmberg 2002, 194), although they involved a broader range of issues. Besides serving as agreements between trade unions and employers' confederations, the TUPOs involved the government and the Bank of Finland, and were aimed at coordinating wage policy, tax, and other issues.

The locus of negotiations has lately shifted in a more decentralised direction. In 2015, EK made a unilateral decision not to take part in the TUPOs any more.<sup>5</sup> Centralised coordination of wages is nevertheless needed because Finland is a member of the Eurozone, and therefore has no independence in terms of monetary policy. This means that wage drift in certain sectors can become fateful for the country's price competitiveness. Hence the export-sector led "Finnish model" of sectoral bargaining rounds has gained ground. The bargaining pattern is nowadays characterised as 'centralised decentralisation', indicating that the dominant level of negotiations has shifted from the general confederation level to the industry-level 'pattern bargaining', driven by export sector organisations (Jonker-Hoffrén 2019, 197).

Finnish trade union confederations still have great negotiation power concerning social policy, for example, pensions, unemployment insurance and parental leave. This power is connected to the tradition of tripartite negotiations of legislation in these fields.<sup>6</sup> And although tripartite centralised incomes policy agreements, TUPOs, are officially banned by the employers' associations, labour market parties have engaged in activity closely resembling TUPOs in times of crisis. The competitiveness pact of 2016 was one such manifestation, and even more so the 'crisis package' of spring 2020. When the Covid-19 pandemic began, the government asked the trade union and employers' confederations to draft a labour market policy package to avoid unemployment and bankruptcies. The resulting proposal, which involved a temporary decrease in employers' pension fees, postponing of the payment of pension insurance fees, temporary flexibilisation of dismissal and furlough procedures and temporary strengthening of the subsistence of laid-off persons, was in large part approved by the government.

Collective agreements in Finland have a generally or universally binding nature. In 1970, the principle of general applicability of collective agreements was introduced to Finnish labour law and has since been in effect in Finland. After the conclusion of a private sector collective agreement, parties are obliged to send it to an Extension Committee, operating independently under the Ministry of Social and Health Affairs, whose task is to judge whether the agreement can be extended to the whole industry (Jonker-Hoffrén 2019, 204). Public sector collective agreements, by definition, are extended to all civil servants without such a procedure (ibid., 250). Employers that are unorganised in terms of collective bargaining also do have to comply with the national agreements of their industrial sector. Coverage of Finnish collective agreements is therefore very high in European comparison, around 89% (Ahtiainen 2019b).

In recent years, the extension mechanism of the collective agreements has received plenty of criticism from EK and the Federation of Finnish Enterprises (SY). Although many of the sectoral collective agreements include Continental European-type locally negotiated opening clauses to the agreements, the aforementioned associations consider local-level bargaining insufficiently flexible. The EK and especially the SY have

promoted the extension of the scope of local bargaining to companies that are not members of employers' associations and worker representatives who are not affiliated with unions. The goal of such proposals is to invest individual firms with the powers to set local wage levels, and to eliminate the national minimum wage setting mechanism based on industry-level agreements. The societal atmosphere does not, however, support such ideas, and they will probably not become a reality in the near future.

The general shift in the locus of bargaining level to the local or even individual level – with the potential effect of the erosion of the universally binding agreements – first affects marginal workers, who are often female. Even if the coverage of collective agreements is nearly 90 per cent, there is still the question of how the conditions of workers who are not covered by agreements are defended. These include such worker positions which are insufficiently stipulated in the agreements, for example service sector zero-hours, platform work or posted workers. A step towards wider coverage of the collective agreements for posted workers was the 2015 *Sähköalojen ammattiliitto vs. Elektrobudowa* ruling by the European Court of Justice, which underscored the legitimacy of the legally-binding agreements to cover posted workers in the territory of Finland as well. A forthcoming study (Sippola et al. forthcoming) demonstrates that clauses concerning zero-hours contracts appear belatedly in Finnish service sector collective agreements, which raises concerns that the collective agreements have not kept pace with the conditions of the new forms of work. The new types of work have so far been of minor significance in the Finnish labour market, and the main types of work left uncovered by collective agreements are private-sector professional groups such as accountants, fitness centre workers, beauticians/cosmetologists, commercial work and small animal clinic work.

The diminishing power of male union representation also has bargaining consequences for the male-dominated sectors. One of the marginal male-dominated sectors – from the point of view of union representation – is ICT. There was an industrial conflict in 2020 concerning a Finnish ICT service provider's labour conditions. The company regarded ICT specialists as belonging to the jurisdiction of the commercial collective agreement, but the workers, who were mostly organised in a professional union, Trade Union Pro, regarded themselves as belonging to the ICT sector agreement. Nevertheless, in 2020 the Finnish Labour Court ruled that the commercial sector agreement could be applied in this particular case. Since the union density of ICT sector workers has historically been relatively low, this raises a more general question about the defence of the rights and representation of new occupational groups in Finland.

Although marginal groups' presence is growing and females constitute a majority of Finnish trade union membership, structural biases seem to be corrected belatedly in collective bargaining. In terms of themes or agendas in public campaigning, individual trade unions have been active in putting forward in public the rights of vulnerable groups, such as part-time workers, zero-hours workers and migrants. International trade union organisations' initiatives concerning green jobs and just transition have gained some visibility through the proclamations of Finnish confederations and the largest trade unions, but they have not really appeared in the bargaining agendas; neither has the societally burning issue of the gender wage gap, except for the health care sector unions in the latest bargaining rounds. This might be partially because Finnish unions have been on the defensive as employers have assumed the offensive in pushing their agendas, and during such a power struggle such 'new' issues are not a high priority. When it comes to the

labour market effects of digitalisation, the Finnish unions are likely to be pragmatic in the sense that industries affected by digital transformation have already previously been subject to restructuring; old jobs have been destroyed and new ones created, and the Finnish labour force has been sufficiently flexible and versatile.

## Conclusion and discussion

Female unionism has kept its foothold much better than male unionism in Finland. We argue that this development has intersectional components. Women have generally been a disadvantaged group in the Finnish labour market. Cuts in the public sector and privatisation tendencies have highlighted this from the 1990s onwards. On the other hand, the gender gap in wages has decreased to some extent this millennium. Threats and successes have created a militant and combatant consciousness within the unions of practical nurses and nurses. The growth of the health and care sectors has created higher employment in these sectors. TEHY and SUPER have successfully recruited this growing labour force into the trade union movement. At the same time, the qualification criteria for occupations in these sectors have risen. Developed education and gender composition of students create strong intersectional occupational identity already in colleges and universities of applied sciences, which enhance membership recruitment into unions.

Trade union membership in Finland – as well as in other Nordic countries – has taken gradual steps in a less male, more female and professional direction; this is largely due to the growth of the public and service sectors as well as women's increasing participation in the labour force (Logue 2019). The erosion of the unemployment insurance system associated with trade unions has been a common theme across the Nordic countries, particularly Denmark, Finland and Sweden, and concession bargaining accompanied by employers' aggressive positions have contributed to the decline in trade union membership. There seems to be a similar 'erosion of the Ghent system' effect on the unionisation rate in these three countries (Lind 2009). What is more, in Finland there has been strong pressure on the part of employers for decentralised collective bargaining. The centralised incomes agreements (TUPOs) were deemed to be terminated with the 2007 withdrawal of the Confederation of Finnish Industries (EK) from the agreements. This marked the end of the TUPO era.

Such developments present challenges to the identity, standing and programme of trade unions. The identity base for blue-collar workers is gradually fading while pluralist educated, professional – but also marginal – worker identifications with unions are rising. In this situation, the unions' standing on whose case is worth defending is becoming unclear. There is no single workers' group to stand for. The previous core of Finnish trade unions, male blue-collar workers, clearly see themselves in a new position in the trade union movement. Globalisation and the joining of the Eurozone has weakened their relative position, while employers are also withdrawing from centralised and sectoral negotiations that have previously benefited the export sectors most. They have realised that unionisation and collective bargaining have strengthened the position of professional, more highly educated workers.

Trade unions face a difficult task setting up their programmes in the changed situation. They must simultaneously take into account the needs of marginal workers, professional workers and less educated blue-collar workers, and also provide tangible benefits

for all these groups. An instrumentalist ethos has gained ground among wage-earners over the latest decades and is now the prevailing mentality. There is also a materialist basis for such an ethos, since the previous core blue-collar workers have experienced decreased income levels relative to more highly educated occupational groups.

An alarming trend for the unions is that the male workers in industrial sectors who used to form the backbone of the Finnish trade union movement now constitute the major membership base of the YTK, unemployment insurance fund, which is not affiliated with any trade union. While the rationale for joining a union has been becoming more instrumental for decades, the awareness that unions no longer administer unemployment insurance funds has diminished the potential of these workers to join unions.

Nevertheless, Finnish trade unions are by no means losing their relevance or fading away; they will most probably maintain their established role as the defenders of labour interests in society. Finnish unions have been blamed for preferring insiders at the expense of those workers who toil under precarious conditions. It is true that Finnish unions have not been able to attract young full-time workers in permanent positions while they have been seen as defenders of more vulnerable groups of workers. Nevertheless, the replacement of trade unions by other representation forms is unlikely. After all, YKT cannot take the role of interest defender from the unions; a more likely scenario is that there will be a void of interest defence if joining an unemployment insurance fund is not associated with union membership.

In line with Ibsen and Tapia (2017), Finland as a Nordic country can be characterised as an ‘institutionally secure’ country, in which unions can develop organising strategies while defending their traditional strongholds of collective bargaining and corporatist policy-making. New efforts are needed to attain new members, while more emphasis needs to be placed on less unionised, predominantly male sectors such as ICT. A return to an ‘organising model’ encompassing the strategic targeting of companies is one possibility; turning to this model actually signifies a return to original Finnish unions’ previous strategies to unionise workers (Kall et al. 2019). What is new in the model is that it also means engaging in an extended process of identity work, where old national jurisdictions and partnerships are completed or replaced by new ideas of aggressive campaigning and cooperation (ibid.). Public must also be reminded of the ‘historical compromise’ developed over decades via the struggles between labour and capital (Kettunen 1998), and the role of the labour movement in general in supporting the emergence of the Finnish welfare state.

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## Notes

<sup>1</sup>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).

<sup>2</sup>The three biggest SAK unions, the PAM, JHL and Industrial Union have about 200 000 members in their registers and 135 000–140 000 members in labour force. They have about 75% of SAK membership combined.

<sup>3</sup>Also Bruun (1990, 31) argues that membership of a union does not necessarily imply any political inclination, for the trade unions have transformed from a fighting organisation (army) to a social security institution (church) and a defender of workers’ rights (solicitor’s office), and consequently a worker can have any of these functions in mind when affiliating with unions.

<sup>4</sup><https://www.tehy.fi/fi/tehy-opiskelijayhdistys>, <https://www.superliitto.fi/opiskelijat/> - retrieved 12 October, 2021.

<sup>5</sup>Although the tripartite TUPOs have been buried, bipartite centralised income agreements have been concluded afterwards. In 2016, after being pressurised by a newly elected centre-right government, the peak-level unions and employers’ organisations agreed on a ‘competitiveness pact’, which *de facto* set up inferior labour conditions compared to earlier bargaining rounds; this was the first such occurrence in the industrial relations history of Finland.

<sup>6</sup>About the birth of this tradition, see Bergholm (2009).