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REPORTS SUBMITTED IN ACCORDANCE WITH COUNCIL RESOLUTION  
1988 (LX) BY STATES PARTIES TO THE COVENANT CONCERNING  
RIGHTS COVERED BY ARTICLES 6 TO 9

FINLAND

27 February 1978

ARTICLE 6: THE RIGHT TO WORK

(1) Article 6 of the Constitution Act of Finland provides that "The labour of the citizens shall be under the special protection of the State. It is incumbent on the Government authority to arrange, when necessary, opportunities for Finnish citizens to work unless otherwise provided by law."

The employees in our country have the right freely to choose their employment. This is the central principle contained both in the Vocational Guidance Act and the Employment Act.

(2) The Government of Finland endeavours to guarantee the individual's right to political and economic activities by creating the prerequisites for stable economic policy, for the realization of full employment, for social security policy and cultural policy by means of government fiscal and monetary policy measures and by the free contractual right of organizations.

(3) Questions concerning labour fall within the jurisdiction of the Ministry of Labour, which has a General Management Department, a Planning Department and a Labour Department. The task of the Planning Department is to collect and analyse labour statistics. The Planning Department is divided into a Research and Planning Division, a Statistics Division and a Location Guidance Secretariat.

The Labour Department is in charge of labour services; this department is divided into an Employment Exchange Division, a Vocational Guidance Division, a Vocational Courses Division and an Employment Affairs Division.

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Statistics on employment are collected, in addition to the Ministry of Labour, by the Central Statistical Office of Finland.

(4) Provisions concerning vocational guidance are contained in the Vocational Guidance Act of 1960. In the spring of 1977 Finland ratified the ILO Convention and Recommendation concerning vocational education and vocational guidance.

(5) Section 30 (1) of the Contracts of Employment Act contains a provision concerning lay-offs: during an employment relationship, agreement can be reached to the effect that work and the payment of wages and salaries are discontinued pending further notice or for a prescribed period while the employment relationship otherwise remains in force. On the same prior conditions on which an employer could terminate a contract of employment and by observing the same period of giving notice, he can order an employee to be laid off for a prescribed period or pending further notice. The right of lay-off can be expanded by contract.

The general rule applied with regard to terminations of contracts of employment is that they must be based on weighty reasons; this means that among the reasons justifying a dismissal are those which would entitle the employer to cancel the contract of employment. A dismissal must not be based on the employee's illness unless this illness has led to considerable or permanent impairment of his capacity to work. A dismissal is not allowed on account of an employee's participation in a strike. Also, the political, religious or other views held by an employee or his participation in social or association activities must not be held as reasons justifying his dismissal.

An agreement protecting employees against termination of employment was made between the central organizations in 1966, under which employees shall not be dismissed without factual grounds and under which certain principles are to be observed in connexion with dismissal procedures. Virtually all employees come within the scope of this agreement.

Measures to improve the position of employees particularly in situations in which there is a threat of lay-offs are being discussed by a committee which was appointed on 11 August 1977, and which is expected to complete its report by 30 November 1977.

(6) The protection against unemployment has been arranged in two ways in Finland: unemployment benefits are granted, on the basis of means tests, from government funds. Unemployment Benefit Society relief is paid to members of the Unemployment Benefit Society; members of this Society are all those who are members of trade unions, i.e. approximately 72 per cent of the wage and salary earners. The benefits and allowances are exempt from taxation. This means in practice that the net amount of money available to people who have employment is scarcely larger than the allowances paid to the unemployed as compensation.

Information on employment and unemployment is attached (appendices 1 and 2).

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ARTICLE 7: THE RIGHT TO JUST AND FAVOURABLE CONDITIONS  
OF WORK

A. Remuneration

1. Section 1 of the Contracts of Employment Act states that work is done in return for wages or other remuneration. The amounts of the wages and salaries are based on the agreements concluded between the labour market organizations.
2. Wages and salaries are determined under collective agreements. Section 17 of the Contracts of Employment Act provides that the collective wage and salary agreements shall also cover non-union employees.
3. In addition to wages and salaries, the remuneration received in return for work may include various bonuses. Among the most common bonuses for instance in the metal industry are those received for extremely heavy and dirty work as well as those received for shift work, evening work and night work.
4. Statistical information on the development of wages and salaries and the costs of living appear in appendices 3, 4 and 5.
5. Finland has ratified the ILO Convention on Equal Remuneration, and the collective wage and salary agreements proceed on the assumption that the principle of equal pay for equal work is realized. Women have been guaranteed the right to be paid their wages or salaries during their maternity period and the right to six months' maternity leave.
6. It is prescribed by law that the collective wage and salary agreements shall also extend to non-union employees, and the labour market organizations have endeavoured to reduce wage and salary disparities by pursuing a loyal wage policy. The minimum wage system was carried out in connexion with the 1971 collective agreement on incomes policy. Despite the putting into practice of the principle of equal pay for equal work, disparities do exist in the wages and salaries of women and men to the extent that the average wages and salaries paid to women amount to some 70 per cent of the average wages and salaries paid to men.

B. Safe and healthy working conditions

1. The general regulations concerning safe and healthy working conditions are contained in the Labour Protection Act (28 June 1958, 299/58). This Act applies to employees in both the public and private sectors. Under this Act more detailed regulations relating to working conditions and occupational health care have been issued as follows:

Decision No. 952/75 of the Council of State on the application of the Labour Protection Act to carcinogenic agents and methods;

Decision No. 730/74 of the Council of State on noise abatement at places of work;

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Decision No. 362/65 of the Council of State containing regulations to be observed in blasting work;

Decree No. 386/66 concerning the certificates of competency of blasting work supervisors;

Decision No. 128/67 of the Council of State on the application of the Labour Protection Act to tractors and their inspection;

Decision No. 380/68 of the Council of State on the application of the Labour Protection Act to mono-cable railways and their inspection;

Decision No. 274/69 of the Council of State containing regulations to be observed in construction work;

Decision No. 80/34 of the Council of State containing regulations to be observed in the construction, installation, use, maintenance and inspection of lifts;

Decision No. 636/74 of the Council of State on the application of the Labour Protection Act to manually operated power saws and their inspection;

Decision No. 189/72 of the Council of State on the application of the Labour Protection Act to bolt guns and their inspection;

Decision No. 517/73 of the Council of State concerning forest tractors and their inspection;

Decision No. 711/72 of the Council of State concerning trucks and their inspection;

Decision No. 648/72 of the Council of State on the application of the Labour Protection Act to tower cranes and their inspection;

Decision No. 694/73 of the Council of State concerning presses and their inspection;

Decision No. 52/58 of the Council of State concerning regulations to be observed by industrial plants producing artificial material through viscous methods;

Decision No. 244/72 of the Council of State concerning regulations to be observed in the loading and unloading of ships;

Decision No. 637/71 of the Council of State concerning medical examinations in work referred to § 44 of the Labour Protection Act.

2. The supervision of the observation of the provisions of the Labour Protection Act - as well as of other regulations relating to labour protection - is the

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responsibility of the government labour protection authorities. The regulations concerning supervision and the administration of labour protection are contained in the Supervision of Labour Protection Act (16 February 1973, 131/73) and the Administration of Labour Protection Act (24 July 1972, 574/72). As the supreme authority co-ordinating the supervision and administration of labour protection there is a special government agency functioning under the Ministry of Social Affairs and Health, the National Board of Labour Protection. To carry out the practical supervision work, Finland is divided into 11 labour protection districts. In addition, at the local government level the health authorities are engaged in tasks of labour protection at places of work considered to be small and the least dangerous. More detailed regulations concerning the administration and supervision of labour protection have been issued by Decrees (Nos. 372/73, 373/73, 954/73).

3. The Labour Protection Act applies to all employees. The work relating to occupational safety in Finland is at present focused particularly on eliminating the hazards of cancer in industrial work.

4. The number of deaths resulting from occupational accidents in work places was in Finland 148 in 1974, 138 in 1975, and 172 in 1976. In other respects, no statistics have been drawn up with regard to the years from 1974 to 1976.

The following is a statistical table of the number of accidents at work in Finland in 1961-1973

Year	Deaths	Total of Accidents	Disability Cases Confirmed
1961	415	170,648	1,390
1962	394	170,320	1,432
1963	425	170,856	1,525
1964	401	175,995	1,647
1965	418	176,026	1,548
1966	406	183,390	1,577
1967	335	179,316	1,458
1968	327	172,312	1,797
1969	358	190,676	1,855
1970	356	216,629	2,134
1971	327	229,596	2,218
1972	298	242,877	2,510
1973	321	253,624	2,977

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C. Equal opportunity for promotion

1. Under the Contracts of Employment Act, all employees are in a similar position, and discrimination is prohibited in working life.
2. The labour market organizations have concluded agreements, e.g. the Agreement on Training in 1976, on the practical arrangement of giving employees training relating to their trade.
3. The reform of industrial democracy, which is likely to be carried into effect in the autumn of 1977, will, according to plans, considerably increase the employees' say on questions of personnel administration in their work places.

D. Rest, leisure, limitation of working hours and holidays with pay

1. The blanket law regulating the hours of work is the Hours of Work Act of 1946. Hours of work acts regulating the working hours in various sectors include the following:

The Working Conditions in Shops and Offices Act of 1946;

The Janitors' Hours of Work Act of 1970;

The Bakery Employees' Hours of Work Act of 1961;

The Farm Workers' Hours of Work Act of 1970;

The Hours of Work on Ships in Inland Navigation Act of 1961;

The Seamen's Hours of Work Act of 1976;

The Annual Leave Act of 1973;

The Seamen's Annual Leave Act of 1975; and

The Protection of Young Employees Act of 1967.

The transition into a 40-hour working week called for amendments to the Hours of Work Act. The amendments were effected in 1965, and the transition into a 40-hour working week was carried out gradually by the end of 1969.

Under the general Hours of Work Act the regular working hours are not to exceed eight hours a day and 40 hours a week. The regular weekly working hours may also be arranged in such a manner that they amount to an average of 40 hours provided that a scheme of working hours has been drawn up in advance for the job concerned which covers at least the period during which the regular weekly working hours become adjusted to the said average.

Certain special regulations are applied to people working in shops, offices and enterprising firms comparable to them, as well as on board ships, but, according to the general rule, even these employees come under the regulations limiting the daily working hours to eight and the weekly working hours to 40 hours.

2. (i) Under the Hours of Work Act the regular working hours are not to exceed eight hours a day and 40 hours a week. While exceptions can be made to this main rule in cases concerning various arrangements of working hours as provided in chapter 2 of the Hours of Work Act, they nevertheless result in working weeks of 40 hours on an average.

Whenever the working hours exceed seven hours, the employees must as a rule be given, on a regular basis, at least one hour's rest, during which they may unimpededly leave their work place. The main rule concerning an employee's weekly rest states that during Sundays, or, if this is not possible, at another time during the week, he must be given a continuous weekly rest of not less than 30 hours.

(ii) The regular working hours are eight hours a day; an employee can be kept on overtime, in addition to his regular daily working hours, for not more than 20 hours over a two-week period. Accordingly, during a calendar year an employee may be requested to do 200 hours of overtime work and, subject to permission by the Labour Council and the employee's assent, an extra 100 hours for a specific reason.

In addition to provisions on requesting an employee to work overtime on a daily basis, there are regulations concerning weekly overtime and the overtime in periodic work.

(iii) An employee whose employment relationship up to the end of the March preceding the holiday season has continued without interruption for not less than one year is entitled to annual leave of 26 weekdays.

Employees are paid a holiday premium of 50 per cent of their regular monthly earnings in addition to their leave pay.

(iv) Holidays with pay are the Independence Day, Christmas Eve, Midsummer Eve, Easter Saturday and the First of May.

3. Night work is permitted only in cases mentioned in § 13 of the Hours of Work Act. Employees can be requested to do night work at a work place where work is done in three or more shifts. The shifts in shift work should change at regular hours and follow a system of rotation agreed on in advance.

Night work is allowed subject to permission by the Labour Council and on terms stipulated by it if the technical quality of the work concerned or other specific reasons so require. Correspondingly, night work is allowed where an agreement to this effect is included in the collective agreements made between the national labour market organizations.

Under § 14 of the Hours of Work Act, requesting women to do night work is, as a rule, prohibited. In practice, the prohibition concerning women's night work

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has been impossible to apply as such, but it has been permissible to engage women in night work when it concerns periodic work, emergency work and shift work.

4. Under the collective agreements concluded in 1977, agreement has been reached that 36-hour working weeks will be observed in the three-shift work within the woodworking industry and the mining industry. These agreements are likely to be expanded to include even other sectors of working life during the next round of collective bargaining.

#### ARTICLE 8: TRADE UNION RIGHTS

A. Article 10 of the Constitution Act of Finland provides that citizens enjoy the right of public assembly and the right of association, from which even the trade unions' rights of activity can be derived.

The membership fees collected by the trade unions are exempt from taxation and the membership fees paid by employees to their trade unions are tax-deductible. The membership fees of the labour market organizations are collected by the employer.

#### B. Right to form and join trade unions

1. Article 10 of the Constitution Act of Finland provides that citizens enjoy the right of public assembly and the right of association, from which even the trade unions' rights of activity can be derived.

The establishment and activities of trade unions are governed by the provisions contained in the Associations Act.

2. In practice, a trade union may be established by anyone by notifying the Register of Associations.

#### C. Right of trade unions to federate

The trade unions have the right to join both national and international federations. All of the four central organizations of trade unions in Finland participate in the activities of international organizations in this field.

#### D. Right of trade unions to function freely

The functioning of the trade unions is not subject to any restrictions except as concerns the collective agreements and other agreements concluded by them, which agreements have been concluded to be in force for a prescribed period.

#### E. Right to strike

1. Section 7 (1) of the Labour Disputes Act provides that a stoppage of work or expanding a stoppage of work must not be entered upon due to a labour dispute unless not later than two weeks in advance of the intended action a written

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notification has been delivered to the National Conciliation Office and to the opposite party, stating the reasons, time of commencement, and extent of the intended stoppage of work or the expansion of a stoppage of work. Furthermore, the said enactment provides that the party making the notification will require the assent of the opposite party to postpone the commencement or expansion of the intended labour conflict or to reduce its extent from what was stated in the notification.

The Ministry of Social Affairs and Health has the right to postpone the commencement of a strike by 14 days counted from the time of commencement notified in case the stoppage of work, in view of its extent and of the nature of the sector of work concerned, can be considered to affect vital social functions or to harm the public good to a considerable extent.

A Civil Servants' strike can be postponed likewise by 14 days by a Board for Public Office Disputes, which is composed of representatives of the parties on the labour market.

The collective agreements include the obligation to observe industrial peace according to which a strike or corresponding action must not be entered upon during the period of validity of the agreements.

F. The regular staff of the Defence Forces as well as the police and the Civil Service employees are covered by the provisions of the Centralized Agreement on Civil Service Salaries Act and, thus, are covered by the collective agreements concerning the Civil Service concluded by the labour market organizations. Their right to strike has been secured, an indication of which was the two-week strike of the police in the spring of 1976.

G. The trade unions' rights of function originate in the rights of association and assembly as provided in the Constitution Act; this means that the trade unions' rights have constitutional protection.

#### ARTICLE 9: RIGHT TO SOCIAL SECURITY

##### 1. The National Sickness Insurance Scheme

##### 1.1 Legislation

The Sickness Insurance Act of 4 July 1963 (364/63)

The Decree on Sickness Insurance of 1 November 1963 (473/63)

##### 1.2 Sphere of Application

Under § 1 of the Sickness Insurance Act, all people resident in Finland are insured against sickness. Finnish nationals resident and working in certain tasks abroad and the members of their families are considered residents of Finland.

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### 1.3 Benefits

Under the Sickness Insurance Act, compensation is granted due to pregnancy and childbirth.

The insured person is entitled to receive compensation on account of illness for the expenses caused by necessary medical attendance. The National Sickness Insurance Scheme (NSI) covers doctors' fees up to 60 per cent of a fixed rate of charges. Examinations and treatments of illness performed by laboratories or radiology institutions, when these services are prescribed by a doctor, are covered by the Scheme to the amount of 75 per cent of a fixed rate of charges in excess of the franchise of Fmk 6.- of the insured person. The basis of the said fixed rate of charges is decided on by the Ministry of Social Affairs and Health, and the rate itself is fixed by the Social Insurance Institution, which administers the Scheme.

Medicines prescribed by a doctor are covered by the Scheme to the amount of 50 per cent of the part of each purchase which is in excess of the insured person's franchise of Fmk 4.-. Medicines necessary for the treatment of certain serious and long-term illnesses separately prescribed by law are, however, covered in full.

An insured person over 16, who is employed or self-employed and who is incapacitated on account of illness, is entitled to a Daily Allowance. Self-employed people are, for instance, housewives doing household work at home. The Daily Allowance is paid after a waiting period of seven days for each working day throughout the period of incapacity for work, however not in excess of 300 working days for one and the same spell of illness.

Maternity Allowance is paid to an insured woman who has been pregnant for 180 days or more and who has resided in Finland for at least the said period preceding the calculated time of confinement. The Maternity Allowance is paid for 174 working days.

The sum paid as Daily or Maternity Allowance per working day is 1.5 per mille of the insured person's last annual earned income as assessed for municipal taxation, i.e. approximately 45 per cent of his salary. A minimum Daily Allowance of Fmk 20 is paid to an insured person with no income or with an annual income of less than Fmk 13,400. The maximum Daily Allowance is Fmk 38.28. The Daily Allowance paid to the breadwinner of a family includes an increase for dependants (the spouse and children). The Daily and Maternity Allowances are not taxable income.

### 1.4 Financing

The financing of the National Sickness Insurance Scheme is the joint responsibility of employers and employees. The employer contribution to social security, which includes contributions to the National Sickness Insurance, the National Pension Insurance and the Family Allowance Schemes, is graduated according to the degree of capital intensiveness of each firm. In the current

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year it ranges between 8.875 and 9.875 per cent of the employees' earnings which are subject to the P.A.Y.E. income tax system. The employee's contribution to the NSI Scheme is 1.50 pennies per local tax unit. If the funds collected as national sickness insurance contributions are not sufficient to cover the costs of this Scheme, the balance is met by the Exchequer. At present the national sickness insurance funds are sufficient to cover the costs.

## 2. The National Old Age, Invalidity and Unemployment Pensions Scheme

### 2.1 Legislation

The National Pensions Act of 8 June 1956 (347/56)

The Decree on National Pensions of 7 December 1956 (594/56)

The Assistance Supplements and Housing Allowances Act of 4 July 1969 (446/69)

The Decree on Assistance Supplements and Housing Allowances of 10 October 1969 (631/69)

The Survivors' Pensions Act of 17 January 1969 (38/69)

The Decree on Survivors' Pensions of 4 July 1969 (449/69)

### 2.2 Sphere of Application

Under § 1 of the National Pensions Act, persons of 16 years of age or over and residing in Finland are insured against old age and invalidity. Residence in Finland is requisite for a person to become entitled to the benefits under the National Old Age, Invalidity and Unemployment Pensions Scheme. For non-nationals the qualification is five years of continuous residence in Finland or if after turning 16 a person has resided in Finland half of the time and at least one year after his last re-entry.

Benefits under the National Survivors' Pensions Scheme are paid after deceased persons who have been living in Finland. If the deceased person is a non-national, it is required that he has spent the last five years preceding his death in Finland. After the death of a person who has immigrated to Finland, a national survivors' pension benefit is only paid to a beneficiary who had immigrated to Finland prior to the death of the deceased person.

### 2.3 Benefits

National Old Age Pension is payable to people over 65. The Old Age Pension is composed of a basic amount and an assistance amount. The basic amount is equal in size for all pensioners. The size of the assistance amount is influenced by the pensioner's own and his/her spouse's earnings and property as well as the municipality of permanent residence. The basic amount is FM 158 a month at present. The full assistance amount payable to a single person residing in a Class I area is FM 306. The full assistance amount payable to a married person,

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whose spouse does not receive national basic pension, is of equal size. The Old Age Pension can be supplemented with a means-tested assistance supplement and housing allowance. A child increase is payable to people receiving old age pensions for each child under 16.

National Invalidity Pension is payable to insured men and women between 16 and 64 who, because of an illness, defect or injury, are unable to maintain themselves by their usual work or other comparable work that can be considered suitable to them and of a kind to secure their livelihood. The payment of the Invalidity Pension will start only after the entitlement of the insured person to a daily allowance under the Sickness Insurance Act has terminated. The components of the Invalidity Pension are the same as those of the Old Age Pension.

An aged employee suffering from long-term unemployment can be granted National Unemployment Pension if he/she has attained the age of 60 and if during the last 60 weeks he/she has received Government-paid unemployment compensation or unemployment assistance paid by a national unemployment benefit society for a minimum period of 200 days. A further condition is that the insured person cannot be offered work suitable to him/her. Like the Old Age and Invalidity Pensions, the Unemployment Pension, is composed of a basic amount and an assistance amount.

Benefits under the National Basic Pension are also the national old age assistance, helplessness supplement, national burial grant and rehabilitation.

After the death of a resident of Finland, National Survivors' Pension is payable to the widow of a male deceased person and to the children of both female and male deceased persons. During the first six months after the death of the husband/wife, the amount of the survivors' pension of the widow/widower, irrespective of whether he/she supports children entitled to the survivors' pension, is equal to the basic amount and full assistance amount of the National Basic Pension. After the six month's period, the amount of the survivors' pension depends on whether the widow/widower has dependants as well as on his/her income and means.

The benefits under the National Old Age, Invalidity and Unemployment Pensions Scheme are not taxable income.

#### 2.4 Financing

The Employers' Contributions to Social Security include, as was explained in connexion with the financing of the Sickness Insurance Scheme above, a contribution to the National Basic Pensions Scheme. The employee's contribution to the National Basic Pensions Scheme is 2.25 pennies per local tax unit. The financing of the assistance amounts is also contributed to by the Local Governments and the Exchequer.

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### 3. The Employment Pensions Scheme

#### 3.1 Legislation

The Employees' Pensions Act of 8 July 1961 (395/61)

The Decree on Employees' Pensions of 23 February 1962 (183/62)

The Temporary Employees' Pensions Act of 9 February 1962 (134/62)

The Decree on Temporary Employees' Pensions of 23 February 1962 (184/62)

The Farmers' Pensions Act of 14 July 1969 (467/69)

The Decree on Farmers' Pensions of 7 November 1969 (667/69)

The Self-Employed Persons' Pensions Act of 14 July 1969 (468/69)

The Decree on Self-Employed Persons' Pensions of 7 November 1976 (668/69)

The Seamen's Pensions Act of 26 January 1956 (72/56)

The Government Employees' Pensions Act of 20 May 1966 (280/66)

The Decree on Government Employees' Pensions of 9 December 1966 (611/66)

The Government Employees' Survivors Pensions Act of 31 December 1968 (774/68)

The Decree on Government Employees' Survivors Pensions of 31 December 1968 (796/68)

The Local Government Employees' Pensions Act of 30 April 1964 (202/64)

The Evangelical-Lutheran Church Pensions Act of 20 May 1966 (298/66)

#### 3.2 Sphere of Application

The Employment Pensions Scheme as a rule covers all employed as well as self-employed people. The sphere of application covers every one who works in Finland, regardless of sex or nationality. In certain cases even work performed abroad entitles to a pension. The scheme is based on several parallel special schemes. The blanket law is the Employees' Pensions Act, the special features of which are explained below. The other laws relating to employment pensions are based on similar principles, with the exception of the Government Employees' Pensions Act and the Local Government Employees' Pensions Act which contain some special benefits.

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### 3.3 Benefits

Benefits under the legislation concerning employment pensions are the old age, invalidity, unemployment and survivors' pensions.

The pension accumulates at a rate of 1.5 per cent per year. The full amount of the old age pension, to be earned in 40 years, is 60 per cent of the employee's pay. A minimum pension percentage is guaranteed for the old age classes. In March 1977 the average old age pension amounted to FM 496. The old age pensions as well as other pension benefits paid under the pension schemes of Government and Local Government Employees were greater.

An invalidity pension is granted to an employee whose working capacity, due to an illness, defect or injury, has been reduced during one year by at least two fifths. The pension is granted as a full pension or as a partial pension. To receive a full invalidity pension, the employee's working capacity must have been reduced by three fifths. The amount of a full invalidity pension is, as a rule, determined on the same basis as the old age pension. The partial pension amounts to half of the full pension. The average invalidity pension was FM 511 in March 1977.

An aged employee suffering from long-term unemployment is entitled to receive an unemployment pension according to the same provisions that were explained in connexion with the National Old Age, Invalidity and Unemployment Pensions Scheme. In March 1977 the average unemployment pension amounted to FM 402.

After the death of a male employee, his widow and children under 18 are entitled to a survivor pension. Under the pension schemes of Government and Local Government Employees, a widower is also considered a beneficiary. The amount of the pension is determined according to the income of the deceased person and the number of beneficiaries. The average survivors' pension amounted to FM 413 in March 1977.

### 3.4 Financing

The financing of the Employment Pensions Scheme is the responsibility of the employers. The employer's contribution to the Employment Pensions Scheme amounts to 12 per cent of the sum total of the salaries and wages paid to his employees in the current year. Farmers and other self-employed people pay themselves a corresponding contribution to finance their pensions schemes. Small enterprisers are granted a reduction of this contribution. The State, however, pays half of the farmers' pensions and other benefits and, in case the insurance premiums and yield from investments do not suffice, the State pays even the remaining part. The costs arising from the pensions of other self-employed people are shared by the State if the premium reserve is not sufficient. To date there has been no need for the State to participate in the costs.

#### 4. The Employment Accident Insurance Scheme

##### 4.1 Legislation

The Employment Accident Insurance Act of 20 August 1948 (608/48)

The Government Employees' Accident Compensation Act of 12 April 1935 (154/35)

The Occupational Diseases Act of 29 December 1967 (638/67)

The Decree on Occupational Diseases of 29 December 1967 (639/67)

##### 4.2 Sphere of Application

The Employment Accident Insurance Act covers people who are gainfully employed and, as far as practical training is concerned, students of certain schools, institutes and educational courses. Independent enterprisers may take out voluntary insurance policies. Even accidents taking place on the way between the employee's home and work place are compensated as employment accidents. By an occupational disease, which is compensated under the Employment Accident Insurance Act, is meant an illness that has arisen out of physical, chemical or biological factors and been caused to an employee in work performed on the basis of his employment.

##### 4.3 Benefits

Benefits payable under the Employment Accident Insurance Act to the injured party include compensation for medical care, a daily allowance, a disability annuity, a survivors' pension, a funeral benefit and various additional allowances.

The costs of medical care are in general compensated for in full.

A daily allowance is paid to the injured party for each day during the period of disability caused by an accident at work, however, not exceeding the period of one year. The amount of the daily allowance for an injured person with no dependants is 1/600th of his annual earnings and for an injured person with dependants 1/450th of his annual earnings.

The payment of disability annuity to the injured party when a handicap remains from the injury. The disability annuity consists of a basic annuity and a supplementary annuity. The basic annuity is determined on the basis of the degree of disability caused by the accident; in determining the supplementary annuity, account is also taken of the individual conditions of the injured party. Both are based on the annual earnings of the injured party. If the degree of disability remains below 30 per cent, a lump-sum compensation is paid to the injured party.

After the death of an injured party, his widow and children under 17 years of age are entitled to receive a survivors' pension. A widower is entitled to receive a survivors' pension only if his wife was the chief provider. The amount of the pension paid to the widow is 30 per cent and the amount paid to a child is 15 per cent of the annual earnings of the deceased person.

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In excess of FM 20,000, the disability annuity and the survivors' pension are taxable income. Other compensations are not taxable.

#### 4.4 Financing

The accident insurance premiums are paid by the employers alone. The amount of the premium is determined on the basis of the salaries and wages paid to the employees and on the risks involved in the work.

### 5. Unemployment Insurance

#### 5.1 Legislation

The National Unemployment Benefit Societies Act of 23 March 1934 (125/34)

#### 5.2 Sphere of Application

Eligible for membership in an unemployment benefit society is every salaried Finnish national who has not attained the age of 60 and, on a basis of reciprocity under an agreement, nationals of the Nordic countries and Great Britain. Unemployment insurance covers approximately 70 per cent of the wage-earners of Finland.

#### 5.3 Benefits

On becoming unemployed a member of an unemployment benefit society may be granted, under the National Unemployment Benefit Societies Act, daily, housing, clothing and travel allowances as well as a special daily allowance. Housing and clothing allowances have not been granted in practice, and even the cases in which travel and special daily allowances have been granted have been rare. An allowance can be paid only to a member who has been a member of an unemployment benefit society for at least the six months preceding the commencement of his unemployment and who has been working for at least six months while a member of the society.

Daily allowance may be paid, after a waiting period of five days, for not more than five days a week. The allowance may be paid for a maximum of 200 days of unemployment in one calendar year and for not more than 450 days during three successive calendar years. A person who has received such allowance for 450 days can receive it again only after he has been working for six months. The amount of the daily allowance as of 1 April 1976, was FM 51 for a member with obligations to dependants and FM 37 to other members; however, the daily allowance shall not amount to more than three quarters of the salary or wages paid to the member in his trade under the prevailing collective wage agreement.

The unemployment allowances are not taxable income.

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#### 5.4 Financing

The costs arising from the Unemployment Insurance Scheme are shared by the State, employers and members of the unemployment benefit societies; the State pays 40 per cent, the employers 53 per cent and the societies 7 per cent of the allowances paid out. In addition, the societies receive financial assistance for their administrative expenses on an annual basis, which is given by the State and the employers. Both these items of annual assistance amount to FM 0.50 per each member of the societies plus 0.50 per cent of the total sum of allowances paid out.

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APPENDIX 1

5. Employed persons by class of workers

Year/ quarter	Employed persons, total 2/		Self-employed and unpaid family workers		Wage and salary earners					
	Original	Adjusted	Original	Adjusted	Total 2/		Wage earners		Salaried employees	
					Original	Adjusted	Original	Adjusted	Original	Adjusted
Persons in thousands										
1961	2 121		724		1 397		903		494	
1962	2 132		695		1 437		909		528	
1963	2 126		687		1 439		887		552	
1964	2 153		656		1 497		893		599	
1965 1/	2 155		647		1 508		895		612	
1966	2 159		635		1 524		896		628	
1967	2 114		581		1 533		883		650	
1968	2 073		544		1 529		888		641	
1969	2 097		528		1 569		905		664	
1970	2 126		500		1 626		930		695	
1971	2 123		494		1 639		916		723	
1972	2 118		445		1 672		906		766	
1973	2 164		414		1 750		938		812	
1974	2 229		403		1 826		957		859	
1975	2 221		375		1 846		939		907	
1976	2 154		322		1 810		853		917	
1970 I	2 046	2 127	478	510	1 568	1 617	908	935	660	681
1970 II	2 139	2 123	500	500	1 639	1 622	940	929	699	694
1970 III	2 216	2 130	533	497	1 683	1 630	955	928	727	702
1970 IV	2 102	2 123	491	489	1 611	1 633	915	927	696	707
1971 I	2 033	2 114	455	485	1 577	1 629	893	923	684	708
1971 II	2 145	2 127	483	484	1 652	1 642	934	917	728	721
1971 III	2 210	2 124	512	482	1 698	1 642	939	910	759	732
1971 IV	2 104	2 121	483	481	1 621	1 643	897	908	724	736
1972 I	2 029	2 112	442	469	1 587	1 642	859	889	728	752
1972 II	2 145	2 121	457	453	1 688	1 666	912	901	776	763
1972 III	2 195	2 111	459	434	1 736	1 680	939	911	797	769
1972 IV	2 103	2 123	424	423	1 679	1 701	915	926	764	776
1973 I	2 050	2 131	390	413	1 660	1 718	892	923	768	795
1973 II	2 168	2 150	407	411	1 761	1 737	910	928	821	810
1973 III	2 261	2 176	440	415	1 821	1 761	976	946	845	816
1973 IV	2 176	2 198	418	416	1 758	1 782	943	956	815	827
1974 I	2 137	2 221	390	411	1 748	1 813	941	979	807	836
1974 II	2 250	2 229	402	404	1 848	1 823	990	977	858	847
1974 III	2 319	2 232	423	400	1 896	1 831	999	963	897	866
1974 IV	2 207	2 230	394	391	1 813	1 834	938	948	875	885
1975 I	2 150	2 231	372	388	1 778	1 846	914	952	864	896
1975 II	2 250	2 229	379	381	1 871	1 846	956	944	915	904
1975 III	2 295	2 218	382	367	1 913	1 842	970	933	943	910
1975 IV	2 189	2 210	366	363	1 823	1 843	917	920	906	911
1976 I	2 104	2 182	332	342	1 737	1 811	832	883	860	902
1976 II	2 174	2 154	318	326	1 839	1 807	871	859	923	812
1976 III	2 238	2 159	341	326	1 873	1 889	874	840	961	929
1976 IV	2 098	2 129	298	302	1 788	1 807	837	852	923	930

1/ See notes to table 1.

2/ Including the category "Unknown".

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APPENDIX 2

15. Unemployment and unemployment rates according to the Labour Force Survey 1/

Year/ quarter	Unemployed persons						Unemployment rates					
	Both sexes		Male		Female		Both sexes		Male		Female	
	Orig.	Adj.	Orig.	Adj.	Orig.	Adj.	Orig.	Adj.	Orig.	Adj.	Orig.	Adj.
	Persons in thousands						Per cent					
1961	25		18		8			1.2		1.5		0.8
1962	28		20		7			1.3		1.7		0.8
1963	32		24		8			1.5		2.0		0.8
1964	33		27		7			1.5		2.2		0.6
1965 1/	30		20		10			1.4		1.6		1.0
1966	33		22		11			1.5		1.8		1.2
1967	63		52		11			2.9		4.2		1.2
1968	85		70		15			3.9		5.7		1.6
1969	61		46		15			2.8		3.8		1.6
1970	41		31		10			1.9		2.6		1.0
1971	49		34		15			2.3		2.8		1.5
1972	55		37		18			2.5		3.1		1.8
1973	51		29		22			2.3		2.4		2.2
1974	39		19		20			1.7		1.6		1.9
1975	51		29		22			2.2		2.4		2.1
1976	90		58		32			4.0		4.8		3.1
1970 I	57	44	45	33	12	10	2.7	2.0	3.8	2.8	1.3	1.1
1970 II	43	43	36	34	7	10	2.0	2.0	3.0	2.7	0.7	1.0
1970 III	32	39	19	26	13	12	1.4	1.8	1.5	2.2	1.3	1.3
1970 IV	32	36	23	26	9	10	1.5	1.7	1.9	2.2	0.9	1.0
1971 I	57	45	44	33	13	11	2.7	2.1	3.8	2.8	1.4	1.1
1971 II	49	49	37	34	12	13	2.2	2.2	3.1	2.9	1.2	1.5
1971 III	42	51	23	33	19	17	1.9	2.3	1.8	2.9	1.9	1.8
1971 IV	47	53	30	34	17	19	2.2	2.4	2.5	2.8	1.8	1.9
1972 I	71	57	50	38	21	19	3.4	2.6	4.3	3.2	2.2	1.9
1972 II	54	54	40	38	14	15	2.5	2.5	3.3	3.1	1.4	1.7
1972 III	48	57	28	39	20	18	2.1	2.6	2.3	3.2	2.0	1.9
1972 IV	49	55	29	35	20	20	2.3	2.5	2.5	2.9	2.0	2.0
1973 I	68	55	41	31	27	24	3.2	2.4	3.6	2.6	2.8	2.4
1973 II	53	54	34	32	19	22	2.4	2.4	2.8	2.5	1.9	2.3
1973 III	42	48	21	29	21	19	1.8	2.2	1.7	2.4	2.0	1.9
1973 IV	43	49	22	26	21	22	1.9	2.1	1.8	2.1	2.1	2.1
1974 I	50	41	28	21	22	20	2.3	1.7	2.4	1.7	2.2	1.9
1974 II	39	39	19	18	20	22	1.7	1.7	1.5	1.4	1.9	2.2
1974 III	35	41	14	19	22	21	1.5	1.8	1.1	1.6	2.0	2.0
1974 IV	34	37	16	19	18	18	1.5	1.6	1.3	1.6	1.7	1.7
1975 I	48	40	29	23	19	18	2.2	1.7	2.5	1.8	1.9	1.6
1975 II	44	45	26	25	18	20	1.9	1.9	2.1	2.0	1.7	2.0
1975 III	48	56	25	35	23	22	2.0	2.5	2.0	2.8	2.1	2.0
1975 IV	62	68	37	44	25	25	2.8	3.0	3.1	3.6	2.4	2.4
1976 I	91	77	63	49	28	27	4.1	3.4	5.3	4.0	2.8	2.6
1976 II	94	95	65	62	29	32	4.2	4.2	5.3	5.1	2.8	3.1
1976 III	89	102	53	71	36	35	3.8	4.5	4.2	5.9	3.4	3.3
1976 IV	86	94	53	61	33	34	3.9	4.2	4.4	5.1	3.3	3.3

1/ See notes to table 1.

APPENDIX 3

Table F.1: Changes in Employee Compensation by Component  
 1965-72

Year	Average compensation	Negotiated wage rates	Wage drift	Social Security	Employment effect	Total
1965	8.6	7.0	1.6	1.6	1.9	11.6
1966	7.3	3.7	3.6	1.3	1.6	9.8
1967	8.8	6.3	2.5	2.2	-0.2	8.7
1968	11.0	10.2	0.8	1.7	0.5	11.5
1969	7.4	5.4	2.0	2.1	4.0	11.9
1970	8.4	4.4	4.0	2.3	3.7	13.3
1971	12.8	9.1	3.7	3.2	0.1	13.7
1972 <u>1/</u>	11.6	9.0	2.6	2.4	1.7	13.7
1973	15.4	9.4	6.0			
1974	19.7*	12.9	6.8			
1975	21.7*	13.3	8.4			
1976	15.1*	10.1	5.0			

\* Estimates.

1/ Since 1972, the numbers do not include the holiday premium.

The average annual rise caused by the holiday premium, expressed in percentages:

1972 0.7  
 1973 0.8  
 1974 1.0  
 1975 1.3  
 1976 0.2

## APPENDIX 4

Table F.2: Changes in the Wage and Salary Bill, Average Wage and Salary Earnings and Unit Labour Costs 1965-1975

Year	Wages and salaries	Employer contributions to social security	Total employer costs	Average wage and salary earnings	Unit labour costs
1965	11.4	13.1	11.6	9.0	6.2
1966	9.7	10.6	9.8	6.4	7.2
1967	8.6	17.5	9.7	9.5	6.9
1968	11.2	12.8	11.5	10.9	8.8
1969	11.3	15.6	11.9	7.0	1.3
1970	12.9	16.3	13.3	8.6	4.6
1971	12.8	22.0	14.1	12.7	11.2
1972	15.8	21.6	16.7	12.9	9.1
1973	19.9	26.0	20.9	15.7	14.0
1974	25.2	29.1	25.9	21.7	19.0
1975	22.5x	29.1	23.7x	22.2x	
1976	13.4x	22.0	14.9	15.0x	

Sources: Finland, OECD. Economic Surveys, Various Issues. Economic Survey, Helsinki, 1974.

x = Estimates.

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Table F.3: Changes in Various Price Indices, 1967-74

Year	Wholesale prices	Production prices	Import prices	Export prices	Cost of living	Consumer prices
1967	2.9	1.2	5.2	5.3	5.4	5.5
1968	10.9	9.1	20.8	17.9	8.7	8.5
1969	3.6	5.8	7.8	4.6	2.4	2.4
1970	4.2	5.5	5.7	8.2	2.8	2.9
1971	5.1	5.2	5.4	5.0	6.3	6.3
1972	8.3	8.0	9.2	4.4	7.2	7.0
1973	17.8	21.1	20.0	34.3	11.8	12.1
1974	24.4	25.7	39.7	32.8	17.2	17.0
1975	13.5	14.8	3.6	10.4	17.8	18.0
1976	11.4	8.2x	0.2	-0.3x	14.3	14.3

Source: Suomen tilastollinen vuosikirja, 1974, table 281.

x = Estimates.