Antti J. Suviranta

Labour Law and Industrial Relations in Finland

Finnish Lawyers Publishing Company Kluwer

Labour Law and Industrial Relations in Finland

by Chief Justice A.J. Suviranta

Supreme Administrative Court of Finland

This book was originally published as a monograph in the International Encyclopaedia for Labour Law and Industrial Relations

1987

Finnish Lawyers Publishing Company Helsinki/Finland

Kluwer Law and Taxation Publishers
Deventer/Netherlands
Antwerp · London · Frankfurt · Boston · New York

Distribution in the USA and Canada Kluwer Law and Taxation Publishers 101 Philip Drive Norwell, MA 02061 USA

Sole distribution in the Nordic countries Finnish Lawyers Publishing Company Uudenmaankatu 4-6 00120 Helsinki Finland

Cover design: Bert Arts

D/1987/2664/100

ISBN 951 640 357 3 (Finnish Lawyers Publishing Co.)

ISBN 90 6544 344 4 (Kluwer)

© 1987, Kluwer Law and Taxation Publishers, Deventer/Netherlands

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the publisher.

List of Abbreviations	13
Introduction	15
I. THE GENERAL BACKGROUND	15
§1. Geography and populationA. The countryB. The people§2. Political and legal system	15 15 15 16
A. Constitution B. Finnish politics C. The law	16 17 18
§3. The economy A. General B. Labour force and employment	18 18 20
II. Definitions and Notions	22
 §1. Industrial relations §2. Labour law A. The notion and its development B. System §3. Employment relationship (employee position) A. The four characteristics and their significance B. Supplementary provisions C. Width of the notion D. Scope of statutes 	22 22 22 23 24 24 25 25 26
III. THE HISTORICAL BACKGROUND	27
 §1. Individual employment relationships §2. Employee protection §3. Trade union freedom §4. Collective labour relations 	27 28 28 30

	B. Mediation C. Shop rules	32 33
VI.	THE ROLE OF GOVERNMENT IN LABOUR LAW AND INDUSTRIAL RELATIONS	34
	§1. Manpower administration	34
	A. Émployment policy	34
	B. Placement	35
	C. Vocational guidance	36
	§2. Administration concerning individual employment relations	
	and labour protection	36
	A. The labour protection administration	37
	1. Organisation	37
	2. Inspections	38
	3. Securing of compliance	38
	B. The Labour Council and the Dispensation	
	Subcommissions	39
	C. The Institute for Occupational Health	4 0
	D. The vocational education administration	4 0
	§3. Administration relating to collective labour relations	41
	A. Mediation in labour disputes	41
	§4. Incomes policy	43
V.	Sources of Labour Law	46
	§1. The Constitution	46
	§2. Legislation	47
	§3. Collective agreements	48
	A. Ordinary scope	48
	B. General applicability	49
	§4. Shop rules	50
	§5. Custom and practice	50
	§6. International sources	51
	§7. Relations between different sources	52
VI.	Private International Labour Law	55
	§1. Introduction; employment contracts; employee protection§2. Collective agreements§3. Seafarers	55 55 56
/IΙ.	Selected Bibliography	57
	§1. Legislation§2. Court reports	57 57

Table of Con	tents
§3. Books §4. Articles in major languages	57 59
Part I: The Individual Employment Relationship	63
Chapter I: Definitions and Concepts	63
§1. Different categories of employees I. General picture II. Categories in legislation A. Blue and white collar employees B. Managers and supervisors C. Various branches and occupations D. Seafarers E. Household employees F. Home workers G. Apprentices H. Women and young persons §2. The individual employment contract I. Contract categories II. Contract periods A. Definite period B. Indefinite period C. Trial period III. Form and content of contracts A. Form B. Content IV. Capacity to contract A. Married persons	63 64 64 64 65 65 66 66 67 67 67 67 68 69 69 70 70
B. MinorsC. Persons declared under guardianship	71 71
CHAPTER II: RIGHTS AND DUTIES OF THE PARTIES IN THE COURSE OF THE EMPLOYMENT RELATIONSHIP	72
§1. Duties of the employee I. General provisions II. Fidelity A. Business and trade secrets; bribery B. Competing activities and contracts §2. Duties of the employer I. General	72 72 72 72 72 73 73

II. Specific duties
A. To provide work
B. Tools and working materials

§3. Occupational safety and health	74
I. General	74
II. Duties of the employee	74
III. Duties of the employer	75
IV. Duties of third persons	76
§4. Remedies and penalties for violations	76
I. Breaches in the contractual relationship	76
II. Breaches against third parties	77
CHAPTER III: WORKING TIME, ANNUAL VACATIONS, HOLIDAYS	78
§1. Working time	78
I. Normal working time	78
A. The Hours of Work Act	78
B. Other statutes	80
II. Work beyond normal hours	80
A. The Hours of Work Act	80
B. Other statutes	82
III. Rest periods and Sunday work	83
A. The Hours of Work Act	83
B. Other statutes	84
IV. Night work	84
§2. Annual vacations	85
§3. Paid public holidays	87
Chapter IV: Remuneration	88
§1. Payment of wages	88
§2. Failure to pay wages	89
CHAPTER V: SUSPENSION OF THE EXECUTION OF THE EMPLOYMENT	
Contract	90
§1. Non-availability of work	90
§2. Illness	91
§3. Lay-off	92
§4. Study leave	93
§5. Military service	93
§6. Accommodation during the suspension	93
CHAPTER VI: END OF EMPLOYMENT RELATIONSHIP	94
§1. By mutual consent	94
§2. During a trial period	94
§3. At the end of the contract period	94
§4. By means of notice	95

I. Job security	95
II. Special grounds and terms of notice	97
A. Death or bankruptcy	98
B. Change of ownership	98
C. Suspension of employment	99
§5. By rescinding the contract	99
I. Right to rescind the contract	99
II. Modalities of the rescission	100
§6. Modalities at the end of an employment relationship	101
I. Certificate	101
II. Accommodation	101
CHAPTER VII: PROTECTION OF CERTAIN CATEGORIES OF EMPLOYEES;	
DISCRIMINATION	103
§1. Women	103
I. Night work	103
II. Certain kinds of work	103
III. Maternity	104
A. Parental leave	104
B. Protection against dismissals	105
§2. Young persons	105
I. Employment	105
II. Working time	106
§3. Discrimination	107
I. In general	107
II. Sex discrimination	108
CHAPTER VIII: COVENANT OF NON-COMPETITION; STATUTE OF	
Limitations; Inventions by Employees	110
§1. Covenant of non-competition	110
§2. Statute of limitations	110
§3. Inventions by employees	111
CHAPTER IX: SETTLEMENT OF DISPUTES OVER RIGHTS	113
§1. Regular courts	113
I. The court system	113
II. Competence and procedure	114
§2. The Labour Court and grievance procedure	114
I. Composition of the Labour Court	114
II. Competence of the Labour Court	115
III. Procedure at the Labour Court	116
IV. Grievance procedure	117
§3. Arbitration	118

§4. The Labour Council §5. Administrative tribunals	119 120
Part II: Collective Labour Relations	121
Chapter I: Trade Union Freedom	121
§1. General rules I. International commitments II. Freedom of association §2. The protection of trade union freedom at the workplace I. Freedom to join and be active II. Duty to provide meeting space III. Check-off of union dues IV. Facilities and protection of employees' representatives	121 121 122 122 123 123
CHAPTER II: THE TRADE UNIONS AND THE EMPLOYERS' ASSOCIATIONS	126
 §1. The trade unions I. The Central Organisation of Finnish Trade Unions II. The white collar confederations III. Union density IV. International relations §2. The employers' associations 	126 126 130 134 135
CHAPTER III: INSTITUTIONALISED RELATIONS BETWEEN EMPLOYERS AND EMPLOYEES	139
 §1. Relations at the enterprise level I. The shop steward system A. Development and foundations of the system B. Contents of the system II. Co-operation organs for labour protection A. Development and foundations of the system B. Contents of the system 	139 139 140 141 141 141
III. Workplace participation A. Production committees and other earlier systems B. Development of the present co-operation system C. Scope and structure D. Matters subject to co-operation and their handling E. Co-operation agreements F. Supervision and violations §2. Relations at the level of the industry	143 143 144 145 146 148 149
I. Industrial committees for safety work II. Other federation-level institutions	150

§3. Relations at inter-industry level	151
I. General framework	151
II. Specific institutions	152
A. Labour Safety Centre	152
B. O and M Delegation	152
C. Working Party on Training	152
D. Delegation on Workplace Catering	153
E. Statistics co-operation	153
F. General wage linkages	154
CHAPTER IV: COLLECTIVE BARGAINING	155
§1. General framework	155
I. Agreements network	155
A. National blue-collar agreements	155
B. National white-collar agreements	156
C. Local agreements	157
II. Making of a collective agreement	159
A. Preparations	159
B. Negotiations	159
C. Approval and conclusion	161
§2. Collective agreements law	161
I. Notion	162
II. Scope	163
III. Parties	164
IV. Form and interpretation	164
V. Period	166
VI. Agreement clauses	166
A. Normative clauses	167
1. Individual and solidary norms	167
2. General applicability of various kinds of norms	168
3. Employers' relations with outsiders	168
4. Obligatory and empowering clauses	168
5. Co-operation agreements	169
6. Recommendations	169
B. Obligatory clauses	169
VII. Statutory effects: labour peace and surveillance	170
A. Scope B. Industrial action	171
	172
C. Actions violating the peace obligation	172 173
D. Supervision duties E. Freedom of agreement	173
VIII. Violations and remedies	174
A. Compensatory fine	174
B. Rescission	176
	-, 0

Chapter V: Industrial Action	178
§1. Kinds of industrial action	178
§2. Statistics	180
§3. Limitations on industrial actions	183
Index	185

12

Labour Law and Industrial Relations in Finland

Labour Law and Industrial Relations in Finland

by Chief Justice A.J. Suviranta

Supreme Administrative Court of Finland

This book was originally published as a monograph in the International Encyclopaedia for Labour Law and Industrial Relations

1987

Finnish Lawyers Publishing Company Helsinki/Finland

Kluwer Law and Taxation Publishers
Deventer/Netherlands
Antwerp · London · Frankfurt · Boston · New York

Distribution in the USA and Canada Kluwer Law and Taxation Publishers 101 Philip Drive Norwell, MA 02061 USA

Sole distribution in the Nordic countries Finnish Lawyers Publishing Company Uudenmaankatu 4-6 00120 Helsinki Finland

Cover design: Bert Arts

D/1987/2664/100

ISBN 951 640 357 3 (Finnish Lawyers Publishing Co.)

ISBN 90 6544 344 4 (Kluwer)

© 1987, Kluwer Law and Taxation Publishers, Deventer/Netherlands

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the publisher.

List of Abbreviations	13
Introduction	15
I. THE GENERAL BACKGROUND	15
§1. Geography and populationA. The countryB. The people§2. Political and legal system	15 15 15 16
A. Constitution B. Finnish politics C. The law	16 17 18
§3. The economy A. General B. Labour force and employment	18 18 20
II. Definitions and Notions	22
 §1. Industrial relations §2. Labour law A. The notion and its development B. System §3. Employment relationship (employee position) A. The four characteristics and their significance B. Supplementary provisions C. Width of the notion D. Scope of statutes 	22 22 22 23 24 24 25 25 26
III. THE HISTORICAL BACKGROUND	27
 §1. Individual employment relationships §2. Employee protection §3. Trade union freedom §4. Collective labour relations 	27 28 28 30

	B. Mediation C. Shop rules	32 33
VI.	THE ROLE OF GOVERNMENT IN LABOUR LAW AND INDUSTRIAL RELATIONS	34
	§1. Manpower administration	34
	A. Émployment policy	34
	B. Placement	35
	C. Vocational guidance	36
	§2. Administration concerning individual employment relations	
	and labour protection	36
	A. The labour protection administration	37
	1. Organisation	37
	2. Inspections	38
	3. Securing of compliance	38
	B. The Labour Council and the Dispensation	
	Subcommissions	39
	C. The Institute for Occupational Health	4 0
	D. The vocational education administration	4 0
	§3. Administration relating to collective labour relations	41
	A. Mediation in labour disputes	41
	§4. Incomes policy	43
V.	Sources of Labour Law	46
	§1. The Constitution	46
	§2. Legislation	47
	§3. Collective agreements	48
	A. Ordinary scope	48
	B. General applicability	49
	§4. Shop rules	50
	§5. Custom and practice	50
	§6. International sources	51
	§7. Relations between different sources	52
VI.	Private International Labour Law	55
	§1. Introduction; employment contracts; employee protection§2. Collective agreements§3. Seafarers	55 55 56
/IΙ.	Selected Bibliography	57
	§1. Legislation§2. Court reports	57 57