

Gender Pay Gap Reporting in Finland

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Gender Equality Authorities

- **Gender Equality Unit:** Prepares legislation, prepares and coordinates Government's gender equality policies.
- **The Ombudsman for Equality:** Monitors the Equality Act and provides guidance and information.
- **The National Non-Discrimination and Equality Tribunal:** Judicial body, supervises compliance with the Equality Act.



Background: Gender Pay Gap in Finland

- Employment rates are quite similar for women and men, both over 70 %.
- Women have higher education than men.

The average gender pay gap is 16%

- Labor market strongly segregated: occupations, careers paths, wages.
- Women-dominated sectors have lower pay.
- Women have fewer management positions.
- Women more often employed in part-time and fixed-term jobs (often unwillingly).
- Unequal use of family leaves.
- Discrimination due to pregnancy and family leave.

Gender Pay Gap Reporting



The Equality Act

- All employers that regularly employ at least 30 people must draw up a gender equality plan.
- Equal pay audit/pay survey is an obligatory part of the plan.
- Pay audit must be carried out every two years.

Pay audit must include:

- Details of the employment of women and men in different jobs.
- A survey concerning the classification of jobs, the pay for those jobs and the differences in pay by gender.
- If no acceptable reason is found for differences in pay, the employer must take corrective action.



Monitoring

- Gender equality plans are not regularly submitted to government authorities.
- **The Ombudsman for Equality** monitors the Equality Act, including gender equality plans and pay surveys/equal pay audits.
 - The Ombudsman monitors gender equality plans in situations where workplace is suspected of discrimination.
 - Also targeted monitoring: several employers in a certain sector have been requested to submit equality plans to the Ombudsman.
- Limited resources: extensive and regular monitoring is not possible.

Consequences For Neglecting Equality Planning & Pay Surveys



If an employer neglects the equality plan and pay survey

- **Ombudsman for Equality** ensures through instructions and advice, that the employer makes the plan.
- If the employer still neglects the plan, the Ombudsman can set a deadline by which the plan must be drafted.

If the plan is still not drafted, the Ombudsman can take the matter to the **National Non-Discrimination and Equality Tribunal.**

- The Tribunal may, under threat of a fine, oblige the employer to prepare a plan within a defined period.
- If the employer still neglects the equality plan, the board will enforce the fine.



Role of Social Partners

- Gender equality plans and pay surveys must be drawn up in cooperation with employee representatives: union representative, occupational safety representative or a group.
- Equality plans and results of the equal pay audits must be shared with employees.
- Raising awareness, providing guidelines and advice.
 - As part of the Tripartite Equal Pay Programme 2020–2023, central labour market organisations drew up guidelines for workplaces on equality plans and pay surveys.

Research Project on Equality Plans and Pay Surveys



Ministry of
Social Affairs and Health

Report: Equality Plans and Pay Surveys at Workplaces 2020



- A survey commissioned by the Ministry of Social Affairs and Health and conducted by the Statistics Finland.
- Examined the prevalence and quality of equality plans and equal pay audits in the private and public sector.
- Employer and staff representatives' responses: comparison.
- Comparison with the previous survey conducted 10 years ago.



Survey Results

- **Majority (70%) of organisations draw up an equality plan.**
- **Only half (53%) carries out the equal pay audit.**
 - 86% of public sector employers, 68% of municipal employers, 50% of private employers.
- There is considerable variation in scope and quality of the equality plans and equal pay audits.
- The greatest problems were observed in how common pay surveys were and in their quality.

Conclusions



Challenges

- Lack of systematic monitoring.
 - Limited resources.
- Lack of knowledge.
- Implementation of the Equality Act.
 - Quality of pay surveys and compliance with the provisions of the Equality Act.
 - Work of equal value in pay comparisons; usually no comparisons between different jobs across collective agreements.



Next Steps

- Implementation of the EU Pay Transparency Directive.
- Evaluation of the Equality Act, including provisions on equality plans and pay surveys.

Also ongoing:

- Negotiations on a new tripartite Equal Pay Programme.

Thank you!

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<https://stm.fi/en/equality-in-working-life>



Ministry of
Social Affairs and Health