



Hand in hand, or influencing by stealth? Finnish trade union involvement in the European Semester

Case study Finland

Executive summary

Author:

Olli Kangas, University of Turku, Department of Social Research

The aim of this OSE Research paper is to analyse relationships between the Finnish trade unions and the European Union in the period 2014 to 2018. The study concentrates on the channels through which Finnish trade unions are involved, both at the national and the EU level, in the making of the European Semester. The paper also describes themes and the linkages between the European Semester and national as well as sub-national social dialogue. The research methodology applied is a mixed-methods approach that builds on content analysis of various documents, macro-level and statistical analyses of developments in the national economy, unemployment and public finances. The main drawback is that there are no longitudinal numeric data on either the development of social dialogue or on outputs and outcomes of trade union involvement. Since formal and informal interactions take place between all parties involved in the making of the European Semester, it is difficult to disentangle the impacts of one single actor upon outputs, let alone outcomes.

Finland is a small, euro-zone, open and heavily export-oriented national economy. Therefore, Finland is vulnerable to international economic crises. Post-2008 growth in GDP up to 2017 was weak, the state budget has been in deficit for a decade, and public debt approached the critical 60% level. Given the gloomy perspectives for the Finnish economy, it is no surprise that the European Commission in the 2010s constantly warned of excessive public debt. In the 2010s, the EU pressure has been 'moderate'.

Finland belongs to the 'Nordic' industrial relations regime. The unionisation rate is close to 70%. There are three main confederations: the Central Organisation of Finnish Trade Unions (SAK, 1 million blue-collar members), the Finnish Confederation of Salaried Employees (STTK, 0.5 million lower white-collar members) and the Confederation of Unions for Professionals and Managerial Staff (Akava, 0.6 million upper white-collar members). There is a long history of collective agreement and social dialogue. As a rule, wage negotiations have included a 'social package' including various social policy measures.

The relationships between the government and trade unions depend on the composition of the government. Not surprisingly, the governments led by the Social Democrats (1995-2003) or where the Social Democrats and the Left Alliance have been involved (2011-2015) prefer a tripartite process, whereas less left-leaning governments (such as Juha Sipilä's centre-right government 2015-2019) often end up on a collision course with the trade unions. The new left-

centre government (appointed on 6 June 2019) has much closer relations with the trade unions than the previous government.

Key findings

Trade unions have formal access to decision-making and discussions on the European Semester (ES) via multiple channels. The most important formal involvement takes place via 37 ministerial sections. The role of trade unions varies from section to section: sometimes it is just participation, whereas sometimes it is co-decision. The involvement of trade unions also varies from issue to issue: mostly trade unions are consulted, but on some specific issues in the domain of the social partners, these also participate in decision-making. Sectoral parliamentary committees offer other channels. Committee meetings are mostly about information-sharing and consultation. Furthermore, trade unions can have direct access to ministries. The degree of direct contact depends on the political orientation of the government.

Despite the positive views expressed on the formal channels, there also were complaints. Sometimes ES documents came to the section just for information. Thus, the existence of formal channels is a necessary but not a sufficient condition for proper representation of the trade unions. Whereas there were critical comments on the centre-right government's willingness to include trade unions in the ES process, the trade unions have a positive picture of the activity of the European Commission representatives in Finland. There are regular meetings. The frequency and form of the meetings and contacts depend, on one hand, on the semester cycle and what is happening in the country. Finnish trade unions also use the 'Brussels way' to get their voices heard in the European Semester preparations. The Finnish trade unions have established their own lobbying organisation (FinUnions) in Brussels. Brussels activities mainly take place via the European Trade Union Confederation (ETUC). Sometimes trade unions also approach the Finnish members of the European Parliament. There may also be direct meetings with various European Commission DGs.

The themes taken up by the European Semester correspond closely to national policy priorities, and this correspondence has improved, as has the commitment of various national actors to the Semester process. The consensus on themes does not necessarily mean that all the actors agree on how to react and respond to the EU recommendations. The in-depth analyses of the 2017 pension reform and of the implementation of austerity politics (our two case studies) showed that there were two totally different policy processes. In the first case, there was strong dialogue, including a two-way flow of information between the social partners and the government. In the other case study, the dialogue-type sequence was reversed or totally absent. The government unilaterally prepared the policy actions despite protests from the trade unions. Finally, the government and the trade unions ended up in open conflict, with waves of demonstrations and political strikes. The government had to abandon some of its plans.

Conclusion and Outlook

In Finland, there are strongly formalized structures for discussing ES issues. The formal structures are a necessary condition for trade unions' representation in the ES process. However, they are not enough – much depends on the political stance of the government. The previous centre-right government's lack of will to include trade unions properly in the ES process was criticized by the trade unions. There was more satisfaction with the EU representation in Finland than with the government. The outlook for the trade unions' involvement in the ES process depends on the political composition of the next governments and the governments' willingness to include trade unions in the process. The unions will use their internal resources, if they are involved in policy processes and if the government respects the principles of the social dialogue. Otherwise, trade unions will use external strategies.

Contact address: Olli Kangas, University of Turku, Department of Social Research,
olli.kangas@utu.fi

INVOTUNES website: <http://www.ose.be/invotunes/>

Download the publication: http://www.ose.be/EN/publications/ose_paper_series.htm

Referring to this publication: Kangas O. (2019), Hand in hand, or influencing by stealth? Finnish trade union involvement in the European Semester. Case study Finland. National trade union involvement in the European Semester (INVOTUNES) project. OSE Working Paper Series, Research Paper No. 43, Brussels: European Social Observatory, September, 41 p.

Language of the publication: English

With the financial support of the

