

13.10.2020

For information to:

IndustriALL Global, industriAll Europe, Nordic IN  
BWI, EFBWW, NBTf

## **Finnish Forest Industries withdraws from national collective bargaining**

The employers' organization Finnish Forest Industries announced on 1st October to change its statutes so that it withdraws from national collective bargaining and bargaining on working conditions is transferred to the company level. The announcement came as a surprise to the trade unions in the forestry sector, even though the employers' organization had already expressed views in this direction. The change is historic and significant in Finland, as the forest industry is one of the country's largest industries.

The Finnish Forest Industries currently has six nationwide sector-specific collective agreements and one company-specific collective agreement. These agreements cover about 28,000 blue-collar workers and white-collar employees. Collective agreements cover about 80 companies and more than 100 production plants. According to the Finnish Forest Industries, the value chain of the forest industries employs 140,000 people and accounts for about one-fifth of Finland's merchandise exports.

The decision of the Finnish Forest Industries means, in practice, reform of collective bargaining models of two sectors:

- the paper, board, and pulp industry (belonging internationally under the industrial federations) and
- sawmill and panel industry (belonging internationally under the construction and wood federations).

The national sectoral collective agreements are negotiated by

- Finnish Paper Workers' Union (paper, board, and pulp industry)
- Finnish Industrial Union (sawmill and panel industry) and
- Trade Union Pro (in both sectors for white-collar employees).

The Finnish Forest Industries justify its decision especially on the need to increase local bargaining. In their communications, employers emphasize especially the flexibility of wages and working hours. They informed that the decision is not due to covid-19 pandemic or a slowdown in economic growth. The Forest Industries notes that freedom of association or trade union activity will not be affected by the reform. In their press release, the employers state that in the future it will be possible to agree on a company-specific basis directly with the personnel, with a company level union branch or with the national trade union.

13.10.2020

The trade unions deplore the reform, which is undermining the Finnish labor market system. This well-functioning system brings a lot of stability and predictability to the Finnish labor market. The current collective agreements have considerable scope for agreeing on company level, for example, on working hours. The national collective agreement guarantees the employer a fair competitive environment and industrial peace, as well as more equal treatment for employees. With the help of the collective agreement, the employee has the right to a salary during parental leave, longer sick leave and care for a sick child, as well as the right to holiday bonus as well as daily allowance and kilometer allowances on business trips. Important is, that the current collective agreements are generally binding and thus guarantee working conditions also in companies that are not members of the Forest Industries.

Trade unions remind that unions will continue to agree collective agreements on behalf of their members. The new situation may even be an opportunity rather than a threat to the development of union density.

The current national collective agreements are valid until the end of 2021, some even longer. Thus, in practice, it will be more than a year to build a new negotiation model if the parties hope that industrial peace remains in place and strikes are avoided.

For more information, please contact

Finnish Paper Workers' Union: Markku Häyrynen, [markku.hayrynen@paperiliitto.fi](mailto:markku.hayrynen@paperiliitto.fi)

Finnish Industrial Union: Jari Hakkarainen, [jari.hakkarainen@teollisuusliitto.fi](mailto:jari.hakkarainen@teollisuusliitto.fi)

Trade Union Pro: Matti Koskinen, [matti.koskinen@proliitto.fi](mailto:matti.koskinen@proliitto.fi)

