





Towards fair pay

The aim is to bridge the gender pay gap

The government and central labour market organisations in Finland agreed in 2006 on a joint Equal Pay Programme. Its main objective is to reduce the difference in pay received by women and men from the present 20 per cent to at most 15 per cent by the year 2015. Furthermore, the programme seeks to implement the equal pay principle of the Act on Equality between Women and Men. Equal pay means that the employer has to pay equal wages for equal work and work of equal value.

Gender pay gap in Finland

Gender equality in many cases is a reality in Finland. This is not true, however, with regards to the earnings of women and men. The earnings of women are approximately 80 per cent of those of men measured by pay for regular working hours. This pay gap reflects the disparity in women's and men's average earnings in the entire labour market. The gender pay difference has persisted for decades, and it is difficult to remove it. The gender pay gap is a significant gender equality problem in Finland – and it must, therefore, be tackled.

The Finnish labour market is highly gender-segregated: there are women's professions and men's professions. Gender stereotypes often significantly affect the educational and career choices people make. Female-dominated fields of employment generally have a lower pay level than male-dominated ones. Furthermore, there are pay differentials between women and men within employment fields.

Career development is faster for men than women, and there are more men than women in leadership positions. Women use the major part of all family leaves, and women also more often have fixed-term jobs. These factors influence the level of pay, too.

Equal pay for work of equal value

The pay for a job must not depend on the employee's gender or occupational title. Jobs are of equal value if the competence requirements, such as responsibility, workload, skills and working conditions, are at the same level. Employees doing very different jobs may deserve equal pay. In addition to the competence requirements, the employee's individual performance is a factor that influences pay.

Equal pay is worth it

Much effort is needed to reduce the gender pay gap. Doing so will, however, benefit the employers, employees, workplaces and the entire society. Fair pay encourages employees to perform their tasks well. An employee who feels that his or her job is worthwhile and valuable becomes motivated and committed. Paying fair wages and salaries also helps the employer to compete for skilled labour.

The actions of The Programme may be carried out by the government and public authorities or by labour market organisations or workplaces. The Equal Pay Programme contributes to the achievement of the objectives by implementing various research- and development projects. The government has reserved funds required for the promotion of the Equal Pay Programme.

The Equal Pay Programme contains numerous sets of actions for reducing the differences in wages. The most important are:

- By means of **collective bargaining**, employers' organisations and trade unions can conclude agreements furthering gender equality and promote the use of fair and incentive pay systems.
- By **drawing up gender equality plans and making pay surveys**, workplaces increase the equality of employees in terms of pay. According to the Finnish Equality Act employers with a staff of at least 30 employees have to prepare a gender equality plan.
- By **introducing pay systems** based on job evaluation and the job performance and output of the employees, the fairness of pay is enhanced.
- By **encouraging people to cross the traditional gender roles in choosing their educational and professional paths**, gender segregation within the labour market is alleviated.
- By supporting **women's career development**, the number of women in leadership positions will increase and women's wages and salaries will rise.
- By **reducing the differences in family leaves** the difference in pay to women and men will be lowered.
- By **assessing collective agreements and pay systems** from the gender perspective, more equitable agreements and pay structures will be developed.
- By **developing the relevant legislation and monitoring compliance with it**, the government will ensure the prerequisites for equal pay.
- By **integrating gender equality into companies' and communities' corporate social responsibility programmes**, gender equality will become a part of managing organisations.

MINISTRY OF
SOCIAL AFFAIRS AND HEALTH

Ministry of Social Affairs and Health

Postal address: PO BOX 33,
FI-00023 GOVERNMENT, FINLAND

Visiting address: Meritullinkatu 8, HELSINKI

Telephone: +358 9 160 01

E-mail to persons: firstname.lastname@stm.fi
www.stm.fi

Equal pay should be paid for equal work and work of equal value. It is possible to tackle the pay gap between women and men. The government and central labour market organisations are committed to cooperation to achieve equal pay.

www.samapalkka.fi

Ministry Of Social Affairs And Health

brochures 2008:9eng

ISSN 1236-2123

ISBN 978-952-00-2662-2

ISBN 978-952-00-2663-9 (PDF)



samapalkka.fi

