

Country: Finland
Partners: TEK - Trade Union of the Graduated Engineers
Metalli - The Finnish Metalworkers' Union

The application of financial participation schemes, in Finland, dates the 70 and 80's, years on which Finland followed partly the Swedish model. Presently, the schemes are few and they are applied mainly within private companies.

The schemes of financial participation applied in Finland are, at the present time, in decline. Despite this situation the several schemes are still being applied and are divided by four big categories:

- ☐ Personnel funds
- ☐ Share Options
- ☐ Bonus
- ☐ Share owner Schemes - which application is not so frequent nowadays

Personnel Funds

The scheme of financial participation has been created in the end of the 80's and it means a creation of a fund, owned and managed by the personnel, with the aim to run the bonus (money paid to the workers according to the gains of the company) and other goods paid by the company to the workers. These funds are applied to all the workers.

Presently, there are nine personnel funds in the metallurgic industries. It is in some cases that at the companies, that due to the merger's processes that have been occurred, can be found more than one fund.

The markets do not like these participation schemes, but they do understand that the expenses are covered.

People do not give much attention to these funds. The trade unions' members are more in favour of the direct benefits (bonus) than the personnel funds, which application implies that they have to wait during for a certain period of time until they are able to make use of the totality of the value. They only can withdraw yearly 15% of their personnel account, only when they leave the company they are entitled to take the rest.

These schemes have fiscal benefits.

Trying to know the trade union's opinion on the application of these personnel funds, the partners trade unions informed that there is any concrete study, of their own, that allows them to assure that they are in favour of this or against. They add that regarding the personnel funds, the objectives diverge according what they intend to promote.

They stand for an improvement of the relations because like that they have more chances to influence the company.

Good relations are the basis for a larger productivity.

Share Options

Over the last ten years Finland has been assisting to the application of this type of workers' financial participation, and mostly they are directed to the management and R&D, such is the NOKIA case, where only some of the workers are entitled to access to it.

In what concerns the report of the Dublin Foundation, the partners have the opinion that this is very good even because Finland was involved and for that reason the conclusions are also applied to Finland.

Bonus

There are different bonus schemes in Finnish companies, like ex. In Nokia, where the management decides after the financial results, how big the bonus for all will be. There are also more direct and negotiated schemes like in a shipyard, in Finland, where are negotiating (even because the sector is not very good) proposing the transference, temporary, of the bonus that will be paid as soon as they deliver possible new orders. They are, yet, in the negotiation phase. These are issues of the company that will be applied with the agreement of the covered individuals.

Share owner schemes

In the partner trade unions' opinion this is not a good scheme to use because why to accept the risk when they are already working for the company?

In the future these schemes tend to increase as a form of saving.

The pensions are ending and, in this case it could be a good investment in shares with good perspectives.

There is a high concentration of the risk by investing in the company they work.

One of the issue that could arise with the workers' financial participation will be the eventual convergence of the worker position of a company, on the one side and from the other side the position of share holder of that same company.

About the role played by trade unions regarding the application of financial participation both trade unions are unanimous saying that their role is not diminished, saying that financial participation can even lead to an improvement of the relations between employer and workers, if this is based on the negotiated agreements..

Financial participation applied to crisis situations, as an answer to financial and productivity difficulties could not be the solution for the problem, though, sometimes, be considered as the company salvation.

The Government in Finland has been having some influence regarding the tax's systems to apply to the workers' financial participation schemes, namely in the concession of fiscal benefits in the context of personnel funds.

There are, in Finland, wage systems based on productivity. They have created a system according which such is part of the wage, it is negotiated at company level.

They think that the remuneration system must be regulated by the agreement. Such bonus should not exceed 10% of the wage.

In what concerns to the SMCs usually these companies do not have special conditions, but sometimes exceptions occur.

Regarding the need or not of the existence of guidelines on the financial participation of the worker, they think that it could not be bad. These must be orientated to the negotiable and acceptable systems. In what concerns the possibility of a Directive from the European Commission both partners do not think in it very much even because the financial participation is not a big issue in Finland.

However, in what concerns the multinational's companies, well implemented in all the countries, could raise some questions that should be careful analyzed. It has to be taken into account who is negotiating, because if the power is given to the EWCs to negotiate wages at company level, there is a risk situation.

The EWC's representatives, who are not unionised, could be «bought» by the company and could offer substantial advantages.

Both partners expressed their disagreement regarding the possibility of the EWCs negotiate wages, such would be possible if the national trade unions would be involved. On the other hand, the EWCs can negotiate agreements, for instance: in case of restructuring, but they have not been very well succeed.

According the partner's opinion financial participation would be welcomed if it brings along an added value, in terms of money, resulting in an additional income.

They should come from the company gains (in this case they could be translated in the delivery of shares) but is should not be obligatory to maintain those shares, these must freely transact, according to the workers' will.

Financial participation must be agreed by collective bargaining.

The partners conclude that they do not oppose to the financial participation schemes since it does not origine a risk to the workers nor hide the secret intention on the employers' side.

Workers' financial participation must be free, negotiated and linked to wages' schemes.