

The background of the slide features abstract, overlapping green geometric shapes, primarily triangles and polygons, in various shades of green, creating a modern and dynamic visual effect.

# Employee participation in Finland in a European context

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# Structure of presentation

I Finnish system - legal framework and present challenges

II Impact of EU law

III Transnational law and employee participation - European Works Councils



# Finnish labour market features

- ▶ Union density 64.5 %
- ▶ Unemployment rate 9.8 %
- ▶ Traditionally strong labour market parties with extensive autonomy of bargaining
- ▶ Generally applicable collective agreements determine minimum terms of employment and working conditions
- ▶ Collective agreement coverage 89.3 %

# Employee participation model in Finland

- ▶ Information and consultation - 'co-operation within undertakings' - carried out within the normal organization of the undertaking and/or through a separate body
- ▶ Employee representation in company decision-making
- ▶ Voluntary personnel funds



# Regulatory framework

- ▶ Act on Co-operation within Undertakings (334/2007)
- ▶ Act on Co-operation within Finnish and Community-Scale Groups of Undertakings (335/2007)
- ▶ Act on Personnel Representation in Company Administration (725/1990)
- ▶ Act on Personnel Funds (934/2010)

# Co-operation within undertakings

- ▶ Parties to co-operation within undertakings: employer and trade union representative/elected representative
- ▶ Regular co-operation obligations; yearly personnel and training plan, principles and practices in recruitment, information on the financial position of undertaking etc.
- ▶ Co-operation procedure in case of collective dismissals: minimum six weeks procedure before dismissals (of minimum 10 employees) can take place

# Co-operation within undertakings

- ▶ Role of collective agreements and related local level bargaining?
- ▶ Regular or situation based co-operation?



# Employee representation in company administration

- ▶ Employee representatives in the managing board, supervisory board or managing group of the company
- ▶ If no agreement on the arrangement is reached, two personnel groups with majority of employees may demand employee representation



# Influence of EU law

- ▶ Timely information and consultation
- ▶ Interpretation of the Collective Redundancies Directive
- ▶ C-44/08, subsidiary of Fujitsu Siemens Computers as an employer, and closure of Kilo Factory in Finland
- ▶ Co-operation procedure has to precede such factual decision-making after which no alternatives to redundancy are available

# Influence of EU law

- ▶ Fundamental right to information and consultation
- ▶ Minimum level of information and consultation
- ▶ Employee involvement in pan-European corporate forms
- ▶ Transnational dimension of employee participation - European Works Councils

# Transnational employee participation

- ▶ European Works Councils - achievement of so called Social Europe
- ▶ Decisive role of the home country law of the central management > regime shopping?
- ▶ Transnational dimension of employee participation beyond original legal sphere set out by EU law
- ▶ EWCs as legal transplants within both national and transnational legal regimes

# European Works Council - transnational legal transplant

## EEA Member Countries

companies with 1,000 or more workers, and at least 150 of those employees in two or more EEA States

right to information and consultation

anticipating and managing changes

shaped by transnationality, shaping normative regimes of MNEs

negotiating and signing international framework agreements

