

Trade Union News from Finland
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Chemical Workers' Union benchmarks the new round of collective bargaining

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The Chemical Workers' Union signed new collective agreements on Friday for about 20,000 workers in the chemical, plastic, oil, natural gas and petrochemical industries. The significance of the agreements extends far beyond the industries where they are applied.

Why? It is so because the agreements represent the beginning of a new round of collective bargaining. Since February 2005 over 90 per cent of Finnish wage and salary earners have been covered by collective agreements that apply the comprehensive income policy agreement approved in November 2004 by the union confederations and the employer association umbrella organisations.

The collective agreements of the 2005 bargaining round expire 30 September 2007. Earlier this year a few industrial employer associations made it clear that they do not support efforts to negotiate another comprehensive income policy agreement on the confederation level. Instead they approached their counterparts at the national/union level and proposed negotiations aiming to sign new agreements even before the vacation period that begins later this month.

In the chemical industry this initiative led to results. Judging by early comments the new agreements satisfy not only their signatories but also the confederation leaders on both sides of the table plus the government. Thus the period of validity and the level of pay rises in the new agreements are strong indications of what one may expect to see from negotiations in other industries.

Collective bargaining concerning the 6,000 salaried employees of the chemical industry is underway and may result in an agreement before the vacation period. The employees are represented by the [Union of Salaried Employees TU](#).

According to labour market sources negotiations have advanced rapidly in the technology industries also (e.g. engineering, shipbuilding, iron and steel industry, electronic industry, car manufacturing). In these negotiations workers are represented by the [Metalworkers' Union](#). The majority of its 165,000 rank and file work in the technology industry.

In the technology industry salaried employees are represented by the Union of Salaried Employees TU. The parties have had initial contacts, and this week they will decide whether to try to advance quickly or to put off the bargaining until after the vacation period.

On Friday the Chemical Workers' Union announced that it wants to finalise the negotiations in the other industries as well (glass, rubber, textile and garment industries and laundries) whose workers the union represents. The goal is to reach agreements within the frame created by the agreements the union signed on Friday.

Those agreements mean a pay rise of over 9 per cent during the period of validity that ends 31 January 2010. It is clearly above the predicted annual inflation rate of about 2 per cent and represents a little more than the impact on labour costs of the three-year collective agreements signed this year in various industries in Sweden.

In the public sector collective bargaining for new agreements has not yet begun. Negotiations will be tough as several large groups of public sector employees expect pay rises that would exceed the general line of this bargaining round. The majority of municipal workers, represented by JHL, the Trade Union for the Public and Welfare Sectors, belong to these groups. The pressure to reach significant pay rises is also high in both the private and public health care sectors.

Read also:

[New incomes policy period has begun](#), SAK 17.02.2005