

Atypical labour markets in Finland

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Flexible employment forms in Finland

In Finland, data allows a comparison of summed proportions of the employed population in non-standard employment (part-time, temporary and agency work and solo self-employment) between the years 2009 and 2015. In 2015, 31% of all in employment were non-standard workers compared to 30% in 2009. These numbers include all persons in employment with one or more forms of non-standard work.

Solo self-employment is measured from 2008 onwards in the Finnish Labour Force Survey (LFS) (10% of all in employment in 2015). As Figure 1 shows, the share of all part-time work has grown from 10% in 2000 to 14% in 2015. In 2000, 3% of all in employment worked marginal part-time compared to 5% in 2015. The numbers for long part-time were 7% in 2000, and 9% in 2015. At the same

time, temporary employment has slightly decreased from 14% to 13%. The share of those in agency work remains small (1% in 2009 and 2015).

Variations in flexible employment across sectors

In 2015, non-standard work was most frequent within the sectors of *Arts, entertainment and recreation*; *Accommodation and food services*; *Education* and *Agriculture, forestry and fishing*.

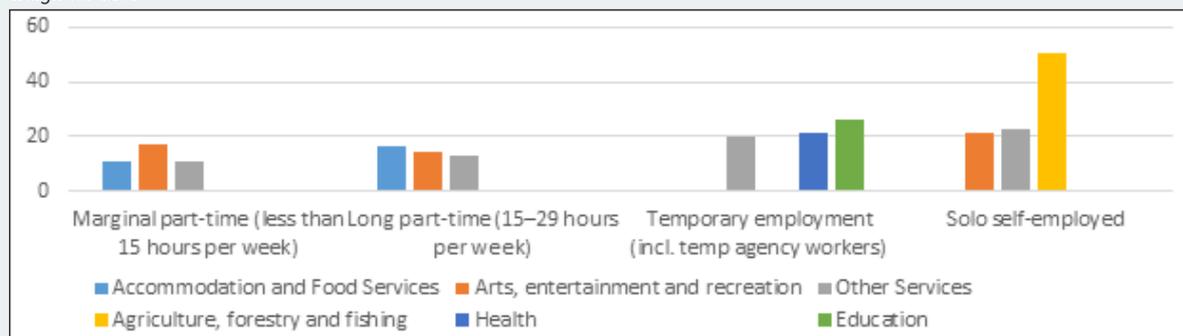
In 2015, marginal part-time work was most common in the *Arts, entertainment and recreation* sector, whereas long part-time was most common in *Accommodation and food services* (Figure 2). One fourth of workers in *Education* were temporarily employed. Solo self-employment accounted for half of the workers in *Agriculture, forestry and fishing*.

Figure 1: Recent development in non-standard employment in Finland, comparing 2000, 2009 and 2015, share of all in employment (%) aged 15–74, weighted data



Source: Authors' own calculations based on the LFS data.

Figure 2: The three sectors with the largest shares of non-standard employment in Finland, 2015, share of all in employment (%) aged 15–74, weighted data



Source: Authors' own calculations based on the LFS data.

Characteristics of non-standard workers

In Finland, women are overrepresented in part-time and temporary work, whereas men are more likely to be solo self-employed. Persons aged over 65 typically work part time and are solo self-employed, whereas young people aged 18–29 are often temporary workers. Old-age pensioners are greatly overrepresented in both agency and temporary work (more so than students). Agricultural workers are more likely to be solo self-employed than others. Temporary work is not often a voluntary choice: Around two thirds of them were unable to find permanent work, whereas involuntary part-time work concerns only one third of part-time workers. This is due to part-time workers often being students and part-time pensioners.

Recent debates and regulatory changes

The Finnish legal environment for fixed-term work and agency work derives from the EU Directives. However, due to new legislation from 2016, it is legal to hire a person who has been unemployed for over one year, as a fixed-term employee, up to one year. Following changes in the unemployment insurance act in 2016, there are just two categories of employed persons: entrepreneurs and employees. The revised act has proved problematic for the self-employed, since the Finnish Employment office has been strict in applying the criteria of “full-time entrepreneur”, limiting the entitlement to unemployment benefits. Since 2000, there have been some policy changes related to unemployment benefit rules and pension law, having an effect on artists’ and researchers’ grants as well as on “cooperative society” workers. These policy changes have important implications for workers since they redefine who can be an entrepreneur. This pertains to those working in cooperatives as well as in the “light entrepreneurship” category. “Light” entrepreneurs do not fulfil the legal criteria of having a firm but instead invoice their work through dedicated firms or cooperatives.

Future challenges

In Finland, there is a growing concern of how the most flexible non-standard workers such as those in zero-hour part-time contracts can attain decent earning and living conditions. Simultaneously, the position of solo self-employed is likely to remain a concern. Solo self-employed altogether form over a half of all entrepreneurs. This heterogeneous group of workers includes for example sinking number of farmers, increasing number of (often low-paid) freelancers and grant recipients, and subcontracted construction workers. Although the growth of solo self-employment has been slow, it has recently gained attention, partly because of the conflict over the labour status of new groups such as food delivery workers. Labour law could be improved to recognize the distinctions and needs of different groups of self-employed workers.



The future of work: Opportunities and challenges for the Nordic models

In this collaborative project funded by the Nordic Council of Ministers, more than 30 researchers from the five Nordic countries study:

- What are the main drivers and consequences of the changing future of work in the Nordic countries?
- In what ways will digitalisation, new forms of employment, and platform work influence the Nordic models?
- What kind of renewal in the regulation of labour rights, health and safety, and collective bargaining is warranted to make the Nordic model fit for the future?

Through action and policy oriented studies and dialogue with stakeholders, the objective is to enhance research-based knowledge dissemination, experience exchange and mutual learning across the Nordic boundaries. The project runs from 2017 to 2020, and is organised by Fafo Institute for Labour and Social Research, Oslo. www.fafo.no

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