A History of the SAK

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Photos: Työväen Arkisto ja
Työväenmuseo Werstas
ISBN 978-951-714-299-1
Cover photo: Työväen Arkisto
Valkealan Painokarelia 2016

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The Finnish Federation of Trade Unions
(Suomen Ammattijärjestö) 1907–1930,
Confederation of Finnish Trade Unions
(Suomen Ammattiyhdistysten Keskusliitto) 1930–1969
and the Central Organization of Finnish Trade Unions
(Suomen Ammattiliittojen Keskusjärjestö) 1969–

The use of child labour was common in Finland. Children were often employed as cowherds, farm maids and errand boys. Here children are seen debarking logs at the Kymi Paper Mill in the 1920s.

Photo: A. Hedman/Työväen Arkisto.

Introduction

In the nineteenth century, there was already a long tradition of trade union activity in the United Kingdom, Germany and France. In the Nordic countries, industrial relations began to be regulated by national collective agreements from the early twentieth century. In Denmark, Norway and Sweden, the trade union movement constituted a significant influence in society in the 1920s and 1930s. In Finland, on the other hand, it was socially side-lined from 1917 until the Winter War against the Soviet Union (1939–1940), and it remained weak in terms of membership up until 1945.

National collective agreements became common after the government wage resolution dated 19 June 1945. In the early 1960s, the negotiation relationships between labour market organizations improved and their influence gained momentum. The first incomes policy agreements in the late 1960s strengthened Finland's competitive position and improved the operating conditions of the trade union movement. The organizational strength and coverage of the trade unions settled at a new high in the 1970s.

Union coverage reached its historical peak when Finland plummeted into a deep recession in the early 1990s. Since then, coverage has shrunk. Nevertheless, the Finnish trade union movement is still exceptionally strong from an international perspective.

Finland in the late nineteenth century

Finland was incorporated into the Russian Empire as an autonomous Grand Duchy in 1809. Everyday life in the sparsely populated country was poor and dour. Finland had high birth and mortality rates, a shortage of capital, low productivity and poor communications. Agriculture provided the main source of income for the people. The weather thus affected the living conditions of the majority of the population. Crops could be ruined by the late arrival of spring, drought, heavy rains or ground frost. Finland experienced one of the last starvation catastrophes in Europe, as adverse weather condi-

tions caused exceptionally poor grain crops in the 1860s. The lack of initiative of the senate worsened the situation, with tragic results. During these years of famine, some 270,000 Finns lost their lives.

There were only a few economically developed enclaves in Finnish society. Shipping and the textile industries developed in the 1830s and 1840s. Projects for building canals, railways and roads increased the mobility of the work force. Respectively, these new channels of communication made it easier for workers to travel in search of work. Economic growth gradually gathered momentum, as Finland became ever more closely involved in international markets through its new canals, railways and roads. The demand for raw wood, sawn timber and ground wood grew. The previously worthless forests thus became the source of valuable raw materials. This sparked a capitalist era in the countryside. Industry began to expand and communications improved. Credit and capital markets began to develop.

The government dismantled restrictions on trade and industry: the guilds were abolished in 1868, and a law providing for freedom of occupation was passed in 1879. The obligation of workers to remain in the service and under the authority of their employers for the duration of their hire was terminated when the employer's legal right of custody over their employees was abolished in 1883. A worker thus became entitled to sell their labour. However, the position of those selling labour was weak. As the rural landless population began to grow in the late nineteenth century, cheap labour became available for construction work, industry, commerce and service in wealthy city homes.

A civic society began to evolve alongside the foundation of newspapers and free citizens' associations. The first working men's associations had been established in the 1850s. They concentrated on cultural and mutual benevolent activities. The breakthrough of organized labour took place in Finland in the 1880s, when some members of the educated classes together with some business owners founded the first workers' associations in Finland. The furniture manufacturer and nobleman V. J. von Wright was the chair of the Helsinki Workers' Association (Helsingin Työväen Yhdistys, estab-

lished in 1884), which began to unite the activities of these separate associations at the national level. This 'Wrightist' labour movement aimed to rectify the defects that vitiated the industrializing society to avoid the exacerbation of social conflicts.

The Wrightist workers' movement gained strength in the 1890s. At the same time, socialist ideology began to spread in workers' associations. Recession and unemployment helped pave the way for the breakthrough of socialism. The 'Red' year of strikes (1896) in Helsinki, at the beginning of an economic upturn, underlined the conflict between labour and capital. Proletarian radicalism gained a foothold in the larger cities. On the initiative of the socialists, the Finnish Labour Party (Suomen Työväenpuolue) was founded at a meeting of workers' associations in Turku in 1899. A party meeting in Forssa in 1903 adopted a socialist agenda and changed the party's name to the Social Democratic Party (Sosialidemokraattinen Puolue Suomessa, later Suomen Sosialidemokraattinen Puolue, SDP).

In the nineteenth century Finland was still an agricultural country. The economy was largely dependent on the weather. A good crop meant prosperity, a poor one problems. Finnish agriculture continued to use the muscle power of horses and men up to the 1950s.

Photo: Arvi Matilainen /Ammattiyhdistysarkisto.

The first trade unions

Worker solidarity had been fostered by the trade guilds and coalitions of journeymen and apprentices. In cities, sick and burial relief funds were established for various occupations, work places and localities in the mid-19th century. Information about union activity in other countries was brought by the newspapers and workers who had trained or completed apprenticeships abroad. Along with freer employment conditions, conflicts between employers and workers became more open, as the latter could now strike or leave their jobs. All these factors – foreign influences, the traditional cooperation of workers and conflicts with employers – contributed to create the conditions that were ripe for the birth of trade unionism in Finland.

The Helsinki printers formed an association in 1885. The painters, tailors, metalworkers, carpenters, bricklayers and shoemakers followed suit and formed their own local unions, in many of which the employers were also represented. The first female local unions were founded before the turn of the century. Seamstresses, shop assistants and domestic servants were trailblazers in the organization of the female work force.

The Wrightian labour movement supported the trade unions. Employers or work supervisors participated in the founding of local unions in several fields. The rules of the Helsinki Workers' Association were changed in 1887 to make it possible to establish local unions as sub-branches of the association. The local union movement was strongest in the Helsinki area. In 1889, local unions founded the Helsinki Central Committee (Helsingin Keskuskomitea) as the local central organization. These organizational models spread to the other big cities.

The first national trade union in Finland, the Finnish Printers' Union (Suomen Kirjaliitto) was established in 1894. The printers had been in the vanguard of joint activity at the national level in many countries. By the turn of the century, tile-makers, shop assistants, carpenters, stonemasons, metalworkers, painters, bricklayers, joiners, tailors, shoemakers, prison guards and engine drivers had all founded national organizations.

After the Finnish Labour Party was founded, there was a rift between the party leaders in Turku and some influential members in Helsinki about the significance of trade unionism in the Finnish labour movement. The party chairman, N. R. af Ursin, considered party politics to be more important than union activities. As the party leaders in Turku hesitated, the Helsinki members summoned a meeting to found a central trade union organization. The Turku party leader subsequently organized a rival constitutive meeting in Tampere. Thus two central trade union organizations were founded, one in Helsinki in 1899 and another in Tampere in 1900. However, the internal conflicts among the Social Democrats caused the activities of both organizations to end.

The turn of the century was a time of nationalist awakening and intense political feuds. A variety of alliances and dividing lines prevailed: socialists against the bourgeoisie, Finnish-speaking against Swedish-speaking Finns, the Constitutionalists against the line of acquiescence. The emerging trade union movement received support from the Finnish-speaking bourgeois press on several occasions. For instance, the strike at the Voikkaa paper factory in 1904 raised a broad media discussion about workers' rights. The reason for the strike was the accusation that foreign supervisors saw it as their privilege to sexually abuse the female workers of the factory.

As sub-branches of workers' associations, the local unions were connected to the labour movement and began to support the Social Democrats. The radicalization of the labour movement led to the retreat of employers and bourgeois representatives from the workers' associations and the trade union movement. As the Russian Czar tightened his grip over Finland, the activities of workers' associations became increasingly difficult.

The rise of the labour movement

From 1904 to 1905, Russia waged an unsuccessful war with Japan. Weariness with the war and general dissatisfaction, which had been brewing for a long time, led to widespread strikes in Russia. They

paralysed central parts of the empire in autumn 1905. The wave of strikes spread to Finland along the St. Petersburg–Helsinki railway in late October. The Finnish General Strike in 1905 was partly industrial action led by the Social Democrats to achieve universal suffrage, and partly action by the nationalists in defence of Finland's constitutional rights as an autonomous part of the Russian Empire. The Social Democrats saw that the Constitutionalists had betrayed them at the end of the General Strike, as the Constitutionalists settled for the promises offered by the Russian government and the Czar.

The General Strike had, however, opened the way for democratic reforms. In 1906 the Finnish Diet of the Estates and Czar Nicholas II, the Grand Duke of Finland, approved the establishment of a unicameral parliament, to be elected by universal suffrage. Finnish women were the first in the entire world to obtain the right to stand as candidates in parliamentary elections. The size of the electorate increased almost tenfold, from 125,000 to 1,125,000, as men not belonging to any of the four estates and women were granted the right to vote.

The General Strike was a spiritual watershed that contested existing power structures. The Red Declaration given in Tampere during the General Strike illustrates the radicalization of the labour movement. The rapid spread of democracy sparked new hope. The labour movement believed that considerable social changes might be imminent. The new self-confidence of the working class was manifested in numerous strikes and the rapid growth in the number of workers' associations. New party branches and local unions were established. Not only skilled craftsmen but also unskilled and factory workers and women joined the local unions. In the years 1905–1907, a large number of new unions were founded, forming a new network of trade unions.

Finland's first parliamentary elections in March 1907 mobilized over 70 per cent of the electorate. The Social Democrats received 37 per cent of the votes and as many as 80 seats out of 200. In terms of electoral support and parliamentary representation, the SDP became, rather surprisingly, the strongest labour party in the world. The Finnish labour movement believed that it was standing on the threshold of a new era.

"Let us unite our scattered forces"

The constitutive meeting of the Finnish Federation of Trade Unions (Suomen Ammattijärjestö) was held in Tampere on 15–17 April 1907. The meeting was attended by 365 delegates, who claimed to represent 40,000 workers. The workers were united by a wide spectrum of different organizations. Representatives of trade unions, local unions and workers' associations were present. Delegates were also sent by the provisional meetings of workers in individual occupations and of crofters from various localities; even a representative of the artisan association of Kurikka was present.

There was a very pragmatic underlying reason for the establishment of the central organization, which was recorded in the minutes of the constitutive meeting as follows:

> *The strikes, which often end in the defeat of the working class, very much prove that our workers' associations and trade unions are still weak. We need to be better organized, and hold fewer strikes! But when we do, let us be victorious!*

The SDP could not lead and did not want to resolve the increased industrial action. Random strikes and support funds collected during industrial actions did not guarantee success. The Finnish Federation of Trade Unions was assigned the task of gathering forces and creating a framework of discipline and order. Therefore, the motto of the meeting ran: Let us unite our scattered forces!

The constitutive meeting of the Finnish Federation of Trade Unions adopted the principle of the equality of the political labour movement and the trade union movement. It was decided to cooperate with the SDP in accordance with the policy of class struggle. The tasks of the central organization were promoting union coverage, collecting information and knowledge, publishing and assisting member organizations in their industrial action. Soon, the new central organization also included fostering international cooperation in its responsibilities.

In spring 1907, the hopes of the Social Democratic Party and the Finnish Federation of Trade Unions were high, but their dream

of a fundamental change in society was not realised. The forces of reaction had already grown stronger in Russia during the summer of 1906. Organized workers had been looking forward to social reforms, but parliamentary politics only brought bitter disappointments to the labour movement. The bourgeois parties looked askance at reformist projects. The Russian Czar refused to ratify the labour laws that were passed. The labour movement accused the Finnish bourgeois groups of collusion with the Russian rulers against the working class – the majority of the population.

Weak unionism

The employers' central organization, the Finnish General Federation of Employers (Suomen Yleinen Työnantajaliitto) was established in March 1907, before the Finnish Federation of Trade Unions. The new federation was composed of both lower-level organizations and individual enterprises. It strove to create a counterforce to the trade union movement. Its aim was to concentrate employers' resources and ensure consistent policies.

The creation of the central organizations of workers and employers was inspired by a desire for social change and a fear of social unrest, respectively. It was not a result of the gradual strengthening of local unions and trade unions, as in the other Nordic countries. Collective agreements that regulated working conditions were only sporadic and local. They were most common in the craft industries, in building work and in the docks. These sectors also had collective agreements which obliged employers to hire only union labour. National collective agreements had existed in the printing industry since 1900, but this was exceptional in Finland.

After the General Strike, the network of workers' organizations expanded, but the membership of the Finnish Federation of Trade Unions and the SDP soon began to fall. The change in the political climate revealed the shaky foundation on which unionism rested. The Finnish Federation of Trade Unions found itself in a vicious circle of weakness. At the end of 1907, the trade unions

had about 35,000 members, of whom some 25,000 belonged to the Finnish Federation of Trade Unions. Union density was circa 10–15 per cent. During 1907–1912, the member base of the organization fluctuated between 16,000 and 25,000. Between 1912 and 1915, it grew from approximately 21,000 to circa 31,000.

For many workers, the local branches were like clubs; places where they could drop in without any permanent commitment. The industrial action that they engaged in was draining on resources and usually ended in defeat, as employers were able to recruit strike-breakers from Finland, Russia and Estonia. The leaders of the Finnish Federation of Trade Unions did not act as instigators of strikes, but as a mediators of local industrial action, when the strikes were to be concluded in an honourable manner.

During 1906–1907, employers had entered into collective agreements more frequently than before, but this policy soon took a turn. In 1908, the employers of the paper industry managed to override eight-hour work shifts and reintroduce twelve-hour days. In January 1909, the employers' organization of the metal industry decided to stop collective bargaining with unions. The number of collective agreements decreased as the societal pressure created by the General Strike was replaced by an atmosphere of reaction.

The Russian Revolution and Finland

The First World War broke out in August 1914. Although Finland was part of the belligerent Russian Empire, Finnish citizens were not obliged to fight in the war. On the other hand, military orders prohibited demonstrations and strikes as well as limited freedom of speech. The prohibition on strikes gave the employers a strong advantage in industrial relations. Initially, the war led to job losses and lower pay, since the cutting off of Finland's maritime connections created a crisis in the export sectors. By 1917, the real wages of industrial workers had fallen by about one third, while the price of food had simultaneously risen. The prohibition on strikes prevented any open action by the trade union movement, but wage

claims by the local unions and workers in individual firms led to wage increases and special bonuses to offset the high cost of living.

The employment situation improved in 1915, when the Russian government placed large orders with the metal, leather and textile industries. During 1916–1917, extensive construction work on fortifications provided work for tens of thousands. Membership of the Finnish Federation of Trade Unions started to rise rapidly in autumn 1916. However, this was only a mild prelude to the rush of workers joining in spring 1917.

The March Revolution 1917 in Russia fanned the winds of freedom in Finland as well. Finland's autonomous status was strengthened and civil rights were restored. In many cities and industrial communities in the countryside, the enforcement of law and order was transferred from the police and the Czar's gendarmes into the hands of militias or guards set up by the labour organizations. In addition, the labour market saw the replacement of coercion with freedom. The March Revolution inspired an upheaval that continued through the Finnish Civil War of 1918 until 1920.

Until spring 1917, the Social Democratic Party continued to have more members than the Finnish Federation of Trade Unions. However, it was the trade union movement that benefited more from the rush to organize in the revolutionary turmoil. The increase in membership was greatest among rural unskilled workers. The confederation structure was fragmented, as strengthened unionization encouraged the establishment of new occupational and industrial trade unions. The organizational strength of the Finnish Federation of Trade Unions was enhanced, and it was joined by both new and old trade unions. Its membership amounted to over 160,000 by the end of 1917.

Immediately after the March Revolution, the Finnish Federation of Trade Unions encouraged the unions to begin a campaign for an eight-hour working day. A one-day strike by the Helsinki metalworkers got the employers of the metal industry to cave in to the demand and to endorse the principle of collective agreements. The support of Russian revolutionary soldiers and privates seamen for the demands of the metal workers induced a willingness to com-

promise among the employers. These achievements spread rapidly to other sectors.

However, the Finnish Federation of Trade Unions and the trade unions were unable to impose their leadership on the industrial unrest of 1917. Decisions to strike were taken in sporadic and summary local meetings. Strike formalities in accordance with regulations were overlooked in the revolutionary turmoil. The strikes sought to achieve an eight-hour working day, wage increases and the dismissal of unpopular superiors. Agricultural workers, fire fighters and many other occupational groups that had previously remained outside the trade union movement were now ready to down tools in support of their claims.

As food prices increased rapidly and the availability of food became more uncertain, social unrest started to escalate. The lack of democracy at local government level aggravated social disputes. Only the well-off citizens of a municipality were allowed to vote and to stand as candidates in local elections. Councils thus lacked legitimacy in the eyes of the working class. In 1917, labour organizations got their own candidates appointed to councils and local government food committees through local general strikes and by beleaguering local government councils. The militias and law-and-order guards controlled by the labour organizations were unable, or unwilling, to prevent food riots, in which the masses seized butter and other foodstuffs from stores. Strikes and the riots divided the nation into the bourgeois groups, who demanded the restitution of law and order, and the socialists, who supported the revolutionary movement.

In August 1917, the provisional Russian government dissolved the Finnish Parliament, which with its left-wing majority had tried to detach the country from the authority of Russia. The leaders of the labour movement again accused the bourgeoisie of collusion with the Russians. The bourgeois parties achieved a majority in parliament in the October general election. After the election, only non-socialists were appointed to the senate, which vitiated opportunities for collaboration between the Social Democrats and the political right.

In November 1917, an extraordinary meeting of delegates of the Finnish Federation of Trade Unions dealt with the food situation and other topical problems and goals. The meeting adopted the so-called We Demand manifesto, which called for the ratification of an enabling act increasing the country's sovereignty, a labour law enacting the eight-hour working day and democratic local government laws – bills that had already been passed by the parliament. A General Strike called by the Finnish Federation of Trade Unions led to the ratification of some laws that were of great importance for the working class, but simultaneously the clashes and acts of violence that occurred during the strike brought the country to the brink of civil war.

The success of the Bolshevik Revolution in Russia during autumn 1917 deepened the division between the Social Democrats and the bourgeois groups. Both parties organized their own paramilitary groups: the bourgeoisie the Civil Guards and the labour movement the Red Guards. Suspicion grew and violent clashes increased. The Finnish labour movement wavered between revolutionary and parliamentary means of influencing the affairs of state. The indecisive stance reflected the understanding of the prevailing Finnish Kautskyist Social Democracy of the elemental force and spontaneous character of the revolutionary process.

The parliament declared Finland independent on 6 December 1917. The beginnings of the new state were grim. In January 1918, the bourgeois senate declared that the Civil Guards were the government's army. The Red Guards were ready for revolution, and the senate's decision provided them with a justified pretext to initiate defensive action. The Reds were mainly composed of factory workers and the landless rural population, while the Whites drew most of their support from the land-owning farmers. The Reds took over southern Finland. They were already facing defeat when German troops landed in Hanko and Loviisa on the south coast of Finland in support of the Whites and broke the Red resistance in April 1918. Some of the revolutionary leaders and other Reds fled to Soviet Russia, but most of those who took part in the unsuccessful uprising suffered the vengeance of the victors.

The dark shadow of the Civil War

During the war, both sides committed murder and atrocities. The Civil War and the prison camps cost the lives of 30,000 to 40,000 people. Most deaths occurred in circumstances other than combat. After their victory, the Whites executed not only members of the Red Guards but also labour movement activists who had not participated in the war as well as other civilians. In some localities, the Whites also murdered Russian civilians. The assembling of over 80,000 Red Guard soldiers and refugees in prison camps also exacted a heavy toll on human life. Prisoners suffered from primitive conditions, starvation and lethal diseases.

The victorious Whites sought to crush the labour movement. The Civil Guards continued to operate side by side with the army of the new republic in order to reassert the power of the Whites. Nearly all forms of activity of workers' organizations were prohibited. The engine drivers' and railwaymen's unions were abolished. The pro-German orientation of the Finnish government ended in an impasse when Germany lost the war. The so-called rump parliament (nearly all of the Social Democrats were missing) had already established a monarchy, but it had to give in when the Entente states demanded that democratic institutions be restored and new parliamentary elections held. The operating rights of the workers' organizations were gradually restored.

The union movement had suffered severe setbacks. Thousands of members had died, others had fled to Soviet Russia, and the organizations' property had been destroyed. The pressure on the workers' organizations continued. The authorities occasionally harassed the leaders and the rank and file of the trade union movement. This pressure and persecution served to consolidate the spirit of the labour movement, but at the same time it isolated the workers' organizations from the rest of society.

The board of the Finnish Employers' Confederation (Suomen Työnantajain Keskusliitto, STK), the successor to the Finnish General Federation of Employers, held its first meeting after the Civil War on 30 May 1918. The President, Jacob von Julin, opened the

meeting by announcing that Gösta Björkenheim, the former President of the Council of the STK, had been murdered by the Reds and his body found in the River Kymijoki. During the following decades, industrial relations in Finland were marked by the hatred, resentment and fear felt by employers for the socialists.

Companies kept a tight hold on their prerogative to dictate wages and working conditions. In accordance with the STK's decisions, employers' organizations and individual employers were not allowed to negotiate with trade union organizations. The employers established a unit called the Export Peace Group (Yhtymä Vientirauha), which recruited strike-breakers. At its peak, it had about 34,000 strike-breakers on its registers. It worked in close collaboration with the Civil Guards. One of its recruiters, Vihtori Kosola, became the leader of the extreme right-wing Lapua Movement in 1929.

Some companies in the paper and sawmill industries offered so-called slave contracts, in which workers got bonuses if they refrained from union membership. Those who did take part in trade union activities, demanded wage rises or participated in industrial action could be evicted from their company-owned dwellings. Workers on strike often sought to get employed elsewhere, which the employers tried to prevent by drawing up blacklists. In 1928, the STK established a separate Registry of Workers for this purpose. During strikes and lock-outs, it published lists of workers who were not to be employed.

However, the Finnish government was not comprehensively hostile towards the trade union movement. In 1919, a workers' representative put forward by the Finnish Federation of Trade Unions was appointed to the Finnish delegation for the constitutive meeting of the International Labour Organization (ILO). The Finnish Federation of Trade Unions also provided statements to governmental committees; it even had its own representatives on some committees. The authorities thus recognized the Finnish Federation of Trade Unions as representing the workers. Along with the centrist policies of the early 1920s, the government attempted to reduce class conflict by means of social reforms. The Employment Contracts Act and the

Works Rules Act enacted in 1922 were both part of this policy of reform.

The government and the civil servants believed that by normalizing industrial relations by basing them on collective agreements, as in the other Nordic countries, social stability could be better ensured. The government thus strove to promote the development of collective industrial relations. In 1924, the parliament approved the Collective Agreements Act, and in 1925, the Collective Industrial Dispute Arbitration Act. These laws were, however, dead letters for the most part, since employers generally refused to negotiate with the representatives of organized workers, even through a government-appointed mediator.

Local collective agreements were still signed in some craft sectors. Construction workers, in particular, managed to get local collective agreements in several cities in the late 1920s. The tradition of collective agreements also continued in the printing sector. In 1927, the Seamen's and Stokers' Union (Merimiesten ja Lämmittäjien Unioni) and the Finnish Ship Owners' Association (Suomen Varustamoyhdistys) entered into the first national collective agreement on overseas mechanical seafaring. Stable maritime industrial relations regulated by collective agreements were established in the late 1930s.

A split in the labour movement

The Finnish labour movement had floundered and dithered into revolution. The failure of the revolution and the policy that preceded it came in for harsh criticism. The Social Democrats who had fled to Soviet Russia during 1917–1918 considered the gravest error to be the fact that the attempt at revolution had not been sufficiently wholehearted. At the turn of August and September 1918, they founded the Finnish Communist Party (Suomen Kommunistinen Puolue, SKP) in Moscow. The party did not consider the defeat of the working class to be final. The revolution would soon succeed in Finland as well, as the Finns learned from the Russian Bolsheviks.

The Social Democrats who had abstained from the Civil War got the activities of the Social Democratic Party and the Finnish Federation of Trade Unions going again. The Party Conference of SDP in December 1918 condemned the uprising as a grave error, which should not be repeated.

The division between Social Democrats and Communists took place gradually in Finnish workers' associations. In many localities, the split did not take place until the mid-1920s. Various disagreements prevailed within the SDP and among the Communists. The Left Socialists and Communists founded the Finnish Socialist Labour Party (Suomen Sosialistinen Työväenpuolue, SSTP) in 1920. Its operations, however, were banned by the authorities in 1923. Its activities were continued by an electoral alliance of socialist workers and small farmers.

In its revolutionary enthusiasm, the SKP encouraged the Finns to boycott the 1919 parliamentary elections. However, the majority of the supporters of the labour movement maintained their faith in the ballot and in progressive democracy. In the parliamentary elections of March 1919, the Social Democrats won 38 per cent of the votes and 80 seats. In the national elections during the 1920s, the Left Socialists and the Communists had joint lists of candidates. During the 1920s, the workers' parties received circa 40–42 per cent of the votes in parliamentary elections: the Left Socialists and the Communists 10–15 per cent and the Social Democrats 25–29 per cent.

The Left Socialists and the Communists were victorious in the power struggle in the Congress of the Finnish Federation of Trade Unions in May 1920. The Left Socialist leaders in the Finnish Federation of Trade Unions were in a difficult position. On the one hand, they sought to emphasize the political importance of the trade union movement in accordance with revolutionary doctrine. On the other, they sought to appeal to the purely economic, and thus apolitical, nature of the demands of collective bargaining and industrial action, in order to avoid the oppression of the authorities and get the employers to negotiate collective agreements. This balancing act made it possible for the Finnish Federation of Trade

Unions to remain a cooperative organization of the Communists, the Left Socialists and the Social Democrats right up until the late 1920s.

Goals, methods and structures

The atmosphere at the founding of the Finnish Federation of Trade Unions in 1907 reflected the Kautskyist ideology that had been adopted by the Finnish labour movement. According to this doctrine, the development of capitalism in the direction of socialism and the natural growth in strength of the workers' organizations were practically enough in themselves to ensure favourable progress. However, setbacks in industrial action and in the development of unionism led to a reassessment of the aims and methods of the Finnish Federation of Trade Unions. Collective agreements with individual employers and with employers' associations now became the main aim, as this would solidify the position of the trade union movement as a partner in industrial relations.

This goal necessitated internal discipline and an increase in centralization within the trade union movement. Another reason for the leaders' appeal for discipline and order was the weak financial position of the organization and its affiliated unions. The Finnish trade union movement had used up a considerable portion of its small revenue in support of haphazard local strikes. The rules of the central organization and the affiliated unions were changed in the 1910s so that workers belonging to individual workplaces or localities, local unions or even national trade unions could no longer decide by themselves on their individual collective bargaining aims or on taking industrial action. The aim was to focus strike funds in a more carefully considered and effective way. However, despite these regulatory changes, most of the strikes and lock-outs that took place up to the 1920s were not authorized by the central organization.

The Congress of the Finnish Federation of Trade Unions nominated a committee in 1912 to ascertain how many unions

were necessary. This was both a question of principle as well as a practical one. The aim of the trade union movement was gather and unite the workers in defence of their own particular interests, but the establishment of new unions was organizationally divisive. Demarcation conflicts between organizations depleted resources and weakened solidarity. Proposals for reducing the number of unions had gone unheard in the revolutionary fervour of 1917. New unions were founded as workers rushed to organize themselves.

At the Congress of the Finnish Federation of Trade Unions in 1920, the Communist union leaders pushed through the principle of industrial unionism, which sought to unite the workers of each work place, who had previously belonged to different unions according to their trades, into the same local union. The number of unions was to be reduced to seventeen. In practice, the principle of industrial unionism did not succeed. In 1922, several seasonal workers' unions amalgamated into a single 'triple alliance' to become the Finnish Sawmill, Transport and General Workers' Union (Suomen Saha-, Kuljetus- ja Sekatyöväen Liitto).

The decisions of the Finnish Federation of Trade Unions did a better job at directing structural change in 1924–1925. The 'triple alliance' of the seasonal workers and the unions of many smaller trades dissolved themselves when unions were formed for transport workers, construction workers and timber workers. The new unions were mostly based on models in the other Nordic countries. The Finnish trade union movement sought to obtain allies and support through Nordic cooperation and from the International Trade Secretariats, which were closely associated with the Amsterdam International of trade unions.

In northern Finland most workers lived by doing seasonal work: lumberjacking in the winter, log floating in the spring, jobs at the sawmills and harbours in the summer and autumn. These seasonal workers united their unions in 1922 into the Finnish Sawmill, Transport and General Workers' Union.

Photo: Ammattiyhdistysarkisto.

International connections

The Finnish Federation of Trade Unions joined the International Federation of Trade Unions (IFTU) in 1909, but the overseas connections were broken with the outbreak of the First World War in 1914. After the war, international relations were a bone of constant contention. Matti Paasivuori, the President of the Finnish Federation of Trade Unions, represented the workers as a member of the Finnish delegation at the constitutive meeting of the ILO in Washington in 1919. The Congress of the Finnish Federation of Trade Unions 1920 condemned the participation in this meeting and decided that there should be no further participation in international meetings organized by home-grown or foreign exploiters.

In 1919, the International Federation of Trade Unions, which was ideologically close to social democracy, resumed its activities in Amsterdam, and consequently became known as the Amsterdam

International. A Red trade union international, the Profintern, which was influenced by the Comintern, the Communist International, was founded in Moscow in 1921.

The Finnish Federation of Trade Unions held a ballot of members in 1921, in consequence of which it resigned from the Amsterdam International. In the following year, in another ballot on the dispute about international organization, a clear majority of the votes supported joining the Communist Profintern. However, the Left Socialist and Communist leaders of the organization believed that joining the Profintern would cause the Social Democrats to walk out and the authorities to intensify their persecution and perhaps even suppress the whole organization. The Finnish Federation of Trade Unions therefore decided to remain outside both internationals.

Like its sister organization in Norway, which resigned from the Amsterdam International in 1923 and refused to nominate representatives for the ILO right up until the early 1930s, the Finnish Federation of Trade Unions wavered between two courses of action. It was not as radically left-wing as its Norwegian counterpart, as the risk of oppression by the authorities was greater in Finland. For the years 1923–1929, the Finnish Federation of Trade Unions appointed its own representatives to the Finnish delegations to the ILO, which in accordance with the ILO tripartite principle consisted of representatives of the government, the workers and the employers. The Finnish Federation of Trade Unions and its affiliated unions also maintained contact with the other Nordic countries. These Nordic contacts strengthened the organization's position vis-à-vis the authorities and also brought some financial support for the weak Finnish trade union movement.

From truce to abolition

The strong opposition of the employers, the paucity of collective agreements and party political disputes ensured that the Finnish Federation of Trade Unions remained organizationally weak. Most workers only joined unions by chance or temporarily when collective

pressure was needed to support wage claims. Many members of local branches stopped paying their dues as soon as the pay issue had been settled, whether successfully or unsuccessfully. Membership in the trade union movement was a sporadically recurring event in the lives of many workers.

The lack of stable organization was apparent in the meagreness of resources. The regular dues paid by members of the Finnish Federation of Trade Unions accounted for less than a third of its total revenue in the period 1919–1929. Supplementary dues, mainly in support of industrial action and educational activities, actually brought in more in terms of money than the regular contributions. The revenue obtained from the annual Festival of Work and the sale of publications and badges was also significant.

The weakness of the trade union movement and the pressure imposed on the trade union movement by the government caused the Communists to seek peace with the Social Democrats in the mid-1920s. This move was also due to a tactical change in the policy of the international Communist movement towards a more cooperative attitude, as well as the Social Democrats' threats to leave the Communist-controlled organization.

At the Congress of the Finnish Federation of Trade Unions in 1926, the Social Democrats and the Communists were able to reach consensus. Matti Paasivuori, a Social Democrat, was reappointed President, but in all administrative organs, representation went according to the parties' relative strengths in the Congress, where the Social Democrats were in a clear minority. The ending of the political dispute and a general economic upswing led to a rapid growth in unionism.

In 1927–1929, the Finnish Federation of Trade Unions was forced to focus its resources on two national disputes. The employers of the metal industry exacerbated a local conflict into a national lock-out in 1927. As a result of active arbitration by the Social Democratic minority government and the united front presented by the workers, however, they were persuaded to withdraw their demands. A particular feature of this industrial conflict was that the Finnish Metalworkers' Union received half of the funds it distributed in

strike pay from the Soviet Union.

In summer 1928, a strike to enforce a national collective agreement began in the docks. The lengthy preparations also meant that the employers had girded themselves for the fray. The professional strike-breakers of the Export Peace Group brought in outside labour to the docks. A promise of fair pay increases brought the strike to an end in early 1929. However, the incipient depression had already rapidly wiped out the pay rises obtained by the strike.

The unsuccessful docks strike created fertile soil in Finland for the strict anti-capitalist and anti-Social Democratic policy adopted by the Comintern and the Profintern in 1928–1929. The Comintern labelled the Social Democrats social fascists, and it directed its most vitriolic attacks against them.

The policy decisions of the international Communist movement and the way things were going in Finland exacerbated the conflicts between those who adhered to the Comintern line (the 'Bull Communists', as they were called) and the Left Socialists (the 'Vacillators'), who put themselves behind the unity of the Finnish Federation of Trade Unions. The policy decisions made at the Congress of the Finnish Federation of Trade Unions in that year were compromises, but they were compromises only between the Bull Communists and the Vacillators. The Social Democrats had already been pushed aside.

Ever since 1923, the Finnish Social Democrats had mooted the idea of founding their own trade union confederation. The rationale was that:

1) the Communist trade unionists had provoked the authorities into harassing the trade union movement as a whole;
2) the Communists were partly to blame for the fact that the employers so staunchly resisted collective agreements.

The increasing problems with cooperation and the weakness of their own position confirmed the views of the Social Democrats that it was no longer in their interest to continue to operate in these Communist-controlled organizations. So in 1929, the Social Democratic union leaders decided to leave the Finnish Federation of Trade Unions and to found a central organization of their own.

A difficult start for the SAK

The whole labour movement was imperilled when the extreme right-wing Lapua Movement began to operate in late 1929. The Lapua Movement increased its pressure and violence during 1930. The acts of terrorism directed by it against the leaders and the rank and file of the labour movement – coercion, muggings, forced deportations over the border into the Soviet Union, and assassinations – paralysed the trade union movement in the summer of 1930. The right won a clear victory in the extraordinary general election of 1930, which was characterized by open coercion of voters and the deletion of names from the rolls of the enfranchised.

With its substantial bourgeois majority, the parliament enacted legislation to allow the authorities to interfere in the activities of organizations that were branded as Communist. In 1930, the authorities banned the activities of the Finnish Federation of Trade Unions as well as numerous trade unions and other left-wing socialist organizations. These, comprising a total of 1,200 organizations, were abolished in 1933 by a decision of the High Court. The departure of the Social Democrats had speeded up the fall of the Finnish Federation of Trade Unions, but it had also saved part of the old trade union organization from repression. Those who had caused the break-up of the old central organization thus ensured the continuation of unionism.

The trade union movement was at its last gasp when seven trade unions met in October 1930 to found the Confederation of Finnish Trade Unions (Suomen Ammattiyhdistysten Keskusliitto, SAK). Although the rules of the SAK stated that it was independent and attached to no party, it had been founded by the Social Democrats, and socialism was its aim. The SAK became a member of the Amsterdam International. At the end of 1930, it had less than 15,000 members, and even at the end of 1933, the number was still less than 20,000. The deep economic depression, the high rate of unemployment, discrimination by employers and the hostility of the Communists towards the new central organization made any organizational development difficult.

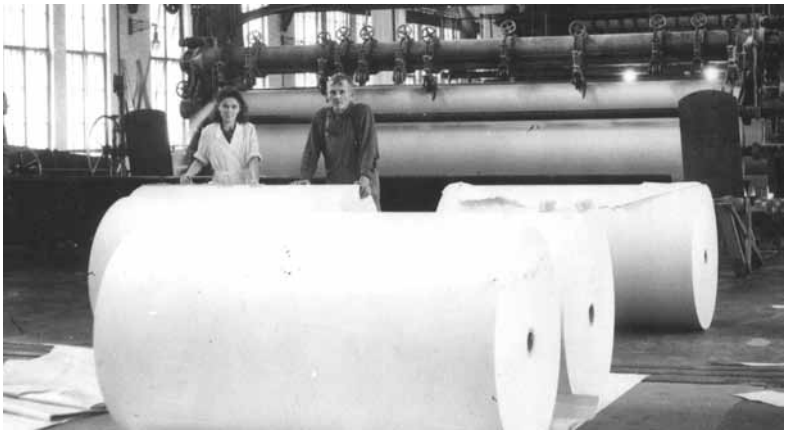
Back in the 1920s, the Confederation of Finnish Employers had already forbidden its members, both associations and individual members, to enter into negotiations with Communist-controlled trade unions. The Social Democratic trade unions and local unions were not considered suitable bargaining partners for the employers in the 1930s, either. Instead, the STK and many companies supported an occupational organization founded by former strike-breakers and White workers, called the Free Workers' Union, which boasted about 4,000 members in 1933.

Trade union operations in the early 1930s consisted of the joint activities of a few workers who dared take part in them, and they had little visibility or influence in the work place. The activities of trade unions were dependent on financial support from the other Nordic countries. Because of its weakness, the SAK concentrated on trying to reduce unemployment, the ideological education of its members and recruitment.

The rise of the labour movement

Increased exports of raw timber and the rapid recovery of other export sectors and the construction industry brought a lively upswing in the economy as early as 1933. The unsuccessful coup by the Lapua Movement in Mäntsälä in 1932 changed the political climate for good. Unlike in many other European countries, the left prevailed and the extreme right had to withdraw. In the general elections of 1936, the SDP increased its number of parliamentary seats to 85. After the presidential election of 1937, the Agrarian League, the Progressive Party and the SDP formed a coalition government.

The economic upswing and the continuing success of the Social Democrats also increased optimism in the trade union movement, as opportunities for it to carry on its activities increased significantly. Persecution by the authorities was reduced, and the position of the SAK in consultative organs set up by the government was enhanced. A law on national pensions in 1937 and one on annual holidays in 1939 were milestones in the progress of Finnish social policy.



The position of the paper industry in Finland grew stronger in the depression years of the 1930s. The organisations of paper workers were weak because the employers victimised those who joined the SAK unions.

Photo: Ammattiyhdistysarkisto.

The membership of the SAK grew rapidly in the years 1934–1938. At the end of 1934 it had sixteen affiliated unions and 27,000 members. Four years later, it boasted nineteen affiliated unions and over 70,000 members. In conformity with their popular front strategy, the Communists renounced their boycott of the SAK and lent their support to the recruitment activities of the SAK unions. The weakness of the Communists' own underground trade union activities in the years 1930–1933 was the fundamental reason why they decided to throw in their lot with the Social Democratic organizations.

As new national trade unions were formed from the local unions of the Finnish Workers' Union, the demarcation lines of these new unions were generally drawn up approximately along those of the old abolished ones. One completely new trade union came into being in November 1931, the Finnish Trade Union for the Municipal Sector. The scope of its activities was based on the model of its

Swedish equivalent, so that all workers of the municipal sector, regardless of field or profession, were gathered within the same union in accordance with the employer principle.

Even at the end of the 1930s, however, the trade union movement was still so weak that joining a local branch usually meant difficulties for the worker concerned. Union membership was a clear protest against injustices in working life. However, an increase in industrial action and local collective agreements were manifestations of the increased influence of the trade union movement's growing strength in the work place. This enhanced influence in turn attracted new members.

The film "To success against all odds" produced by SAK got its premiere in January 1935.

Photo: Työväen Arkisto

Despite the difficulties, the end of the 1930s was a time of hope and opportunity for the members of the SAK. Organizational training attracted new members. Film was one way of communicating the importance of trade union activities to workers. Local branches also made trips by bus to meet each other. And the members met on summer weekends to take part in union excursions or sports events between local branches.

A nation united in the Winter War

Together with its affiliated unions, the SAK had focused its efforts on the struggle to obtain collective agreements. The STK only agreed to negotiate with the SAK when the future of the entire nation was at stake. The Soviet attack against neutral Finland in November 1939 united the whole population in a struggle to defend the country. The SAK and its affiliated unions were part of a national defence front, which broke down the prejudices of the employers. Eero A. Wuori, the President of the SAK, claimed: "The unanimity [of the people] in resisting Russian imperialist aggression creates a new basis for settling practical disputes."

In a joint declaration in January 1940, the workers' and employers' central organizations announced that previous barriers to negotiation had ceased to exist and that in future they would negotiate together. This so-called January Engagement recognized the right of workers to organize themselves. The declaration was not only intended for home consumption, but was also directed at the other Nordic nations. It expressed and cemented the people's spirit of determination to defend the country across class and party lines. At the same time, it sent a message to the Nordic nations that Finland was moving in the direction of Nordic democracy in industrial relations. Even so, the employers still refused to accept collective agreements.

The Party Committee of the SDP issued a statement in February 1940 affirming that there was no longer any impediment to Social Democratic workers joining the Civil Guards. The leaders of the SAK gave their support for this wartime truce with the White Civil Guards. However, the national consensus began to crumble rapidly after the war. The radical left demanded a clear change of course in both foreign and domestic policy. The peace made with the Civil Guards was strongly criticized in both the SAK and SDP.

There was a crucial change in Finnish industrial relations when the unions of the workers in the textile, metal, timber and paper industries got to negotiate with the employers. In the 1930s, employer unions would not have deigned even to answer their pro-

posals. However, during the Interim Peace (the intervening period of peace from 13 March 1940 to 25 June 1941) and the Continuation War (1941–1944), the employers' associations did not agree to discuss all matters connected with conditions of employment, nor would they confirm the outcome of bargaining in the form of collective agreements. Instead, they passed the results of the bargaining to their member firms as recommendations, which determined the national minimum wages to be paid at saw mills, textile mills, mechanical engineering factories and paper mills.

SAK and the workers were disappointed that the employers were still refusing to countenance collective agreements. Despite this, the Social Democratic leaders of the SAK opted to maintain peace in society. At the Congress of the SAK in October 1940, about one third of the delegates denounced the decisions of the Social Democrats, but the Congress did not appoint a single critic to the Executive Committee. SAK supported the efforts of the SDP and the government to prevent Communist activity in Finland, to resist Soviet pressure and to prepare for a new war.

The Continuation War (1941–1944)

The war that began in June 1941 curtailed both the influence and the activities of the trade union movement. Strikes, improvements in living standards or shorter working hours were out of the question as the nation concentrated on the war effort. The government and the employers wanted the trade union movement to assume its share of responsibility for rationing goods and in efforts to increase output.

Its participation in imposing price and wage controls opened the way for the SAK to gain entry into the heart of power. The representatives of the trade union movement, employer organizations and the government collaborated, for instance, in organs that handled wage control, work liabilities and industrial rationalization.

The SAK supported the Finnish war effort by the side of Nazi Germany, both openly and by taking part in secret spying and propa-

ganda activities. However, the defeats suffered by Germany, Italy and Japan and the growing dissatisfaction of the workers led the SAK to re-evaluate its stance towards the war effort. This realignment was also influenced by the views of the Swedish trade union movement. In October 1943, the Congress of the SAK gave its support for the signing of a separate peace.

A majority in the Party Committee of SDP began to support the so-called Peace Opposition group, but the party strong man, Minister of Finance Väinö Tanner, and the majority of the Social Democratic Members of Parliament considered that concluding a separate peace too early would take Finland out of the frying pan into the fire. The deep mistrust between the trade union Social Democrats and the party Social Democrats that consequently grew up during the war was to prevail for a long time. The supporters of Tanner's policy strengthened their position at the party conferences of 1944 and 1946. At the time, the leaders of the SAK supported the minority line in the SDP.

The SAK's clear support for the separate peace process enabled the formation of a unified SAK. When peace came, the Communists, once again legalized, called the SAK leaders to account for the jingoistic statements they had made at the beginning of the Continuation War. The criticism was short-lived, because the SAK had adopted an anti-war stance in time. The SAK's President Eero A. Wuori enjoyed a confidential relationship with A. A. Zhdanov, the Soviet leader of the Control Commission appointed by the Allies to supervise affairs in Finland after the war, which increased the appeasement of the Communists within the SAK. The VZSPS (the trade union confederation of the Soviet Union) and the United Kingdom's Trades Union Congress (TUC) used their influence to make it possible for the SAK to take part in the constitutive conference of the World Federation of Trade Unions (WFTU) in London in 1945, even though the SAK represented a country that had been on the wrong side during the war.

Finland's new position

Relations between Finland and the Soviet Union had been strained because the Whites had been victorious in the Finnish Civil War, while in Russia the Reds had prevailed. The Second World War made the Soviet Union into a great power. Finland, on the other hand, suffered two defeats in the wars it waged against its eastern neighbour. However, the Finnish Army repelled the attacks of the Red Army and drove away the Germans from Lapland, which meant that Finland was not occupied. In September 1944, Finland signed a truce with the USSR and Great Britain.

Under the leadership of the Prime Minister, J. K. Paasikivi, the country's foreign policy was revised. Paasikivi emphasized that it was not enough just to fulfil the conditions of the truce; it was also necessary to build good relations with the Soviet Union. The situation was problematic in terms of both domestic and foreign politics, as a Control Commission representing the Allies (mainly the USSR) was established in Finland to ensure that the conditions of the truce were implemented. The military base of Porkkala, which was surrendered to the USSR, was only some 40 kilometres from the capital city. The Control Commission remained in Finland until September 1947, when the Paris Peace Treaty was signed. In 1948, a new relationship between Finland and the Soviet Union was enshrined in the Treaty of Friendship, Cooperation and Mutual Assistance. This treaty satisfied the Soviet Union's defence policy requirements with regard to Finland.

There were also great changes in domestic policy. The activities of the Finnish Communist Party were now legalized. At the same time, many organizations that were labelled as fascist in the truce conditions were abolished. The Communists, the Left Socialists who had been under arrest during the war and some Social Democrats who were disheartened with their party now formed the Finnish People's Democratic League (Suomen Kansan Demokraattinen Liitto, SKDL) as a party for electoral and parliamentary cooperation.

The left won the 1945 general election. The SDP obtained 50 seats and the SKDL 49. This meant that the right-wing majority in

the 200-seat parliament was reduced from 115 to 101. As a result of the election, a coalition government of the three biggest parties (the Agrarian League, SDP and SKDL) was formed. After the war, the labour movement found itself in a position of advantage because of the paralysis and disintegration of the political right. The political right and employers were now prepared to make far-reaching concessions in order to secure societal stability.

This new freedom brought along with it a strong increase in unionism. It also brought a power struggle in workers' associations, as rival groups vied for ascendancy in the trade union movement, the SDP and the Workers' Sports Federation (Työväen Urheiluliitto, TUL). However, because the Social Democrats of the SAK supported the country's new foreign policy and adopted an appeasing stance towards the Communists, the confederation itself avoided a bitter power struggle in the years 1944–1946.

The rise of unionism

During 1941–1943, the number of members of the SAK rose from 66,000 to 86,000. However, wartime membership figures are not comparable with peacetime figures: for example, in 1943 nearly 25,000 members who were on military service were exempted from paying their union dues. As peace came, workers demanded significant changes in terms of their wages and conditions. In order to achieve these goals, they joined unions. There was a veritable rush on the part of workers to sign up in 1945, when the SAK's membership almost trebled, rising to nearly 300,000. The growth continued up until 1947, when the SAK boasted over 340,000 members.

In 1945, eleven trade unions joined the SAK, most of them representing civil servants and state employees, such as postal workers, customs officers and the police. At the same time, the number of unions in the industrial and service sectors was also growing. Just as in 1917, the growth in membership led to an increase in the number of unions, because workers in many fields thought that they were sufficiently numerous to form their own trade unions. For example,

the Rural and General Workers' Union (Maa- ja Sekatyöväen Liitto) was founded in 1945 and the Forestry Workers' and Loggers' Union (Metsä- ja Uittotyöväen Liitto) in the following year.

The growth in the membership of the SAK was partly a result of the rapid industrialization that took place after the war. The war reparations that Finland was obliged to pay the Soviet Union caused an expansion of the mechanical engineering industry. Moreover, the reconstruction work in Western Europe ensured favourable conditions for the growth of the Finnish forest wood processing industry. Nevertheless, Finland was still predominantly an agricultural country. After the war, the families of veterans and refugees from the territories that Finland had lost to the Soviet Union in the war were resettled in the countryside. In 1950, 46 per cent of the population of Finland made their living in agriculture or forestry. 27 per cent worked in industry and building and another 27 per cent in the service sector.

Both blue-collar and white-collar workers became more eager to join the ranks of the SAK and other confederations. The white-collar Intellectual Employment Union (Henkisen Työn Yhtymä), which had been founded in 1922, was reorganized in 1944 and renamed the Confederation of Intellectual Employment (Henkisen Työn Keskusliitto, HTK). In 1956, it again took a new name: the Federation of Clerical Employees' and Civil Servants' Organizations (Toimihenkilö- ja Virkamiesjärjestöjen Keskusliitto, TVK). By 1945, the HTK had 70,000 members. The Finnish Confederation of Technical Salaried Employees (Suomen Teknisten Toimihenkilöjärjestöjen Keskusliitto, STTK) was founded in 1946. A fourth confederation was created in 1950 to represent the professions: the Confederation of Unions for Academic Professionals (Akateeminen Valtuuskunta, Akava).

The explosive growth in the membership of the trade union movement also caused employers to organize themselves. In the mid-1940s, new employers' associations such as the Agricultural Employers' Federation (Maataloustyönantajain Liitto) and the Automotive Employers' Federation (Autoalan Työnantajaliitto) were founded. The foundation of the Business Employers' Confederation

In the 1940s SAK also came to represent the civil servants and state employees. Here the postmen of Lapua are setting off for their morning deliveries in 1960.

Photo: Työväen Arkisto.

(Liiketyönantain Keskusliitto, LTK) in 1945 caused a long-lasting division in the employers' organizations in Finland along different lines from those in the other Nordic countries.

The self-assurance of workers increased. Unionism reached new sectors and new parts of the country. The trade union movement obtained a lasting foothold in working life. Workers were now more prepared to defend their own representatives by means of industrial action if employers tried to pressurize the leaders of local branches or to sack shop stewards. In some work places, the workers organized sit-down strikes to try to get rid of extreme right-wing or otherwise unpopular foremen.

Decision on wage control 19 June 1945

During the Second World War, inflation in Finland had been moderate compared with the First World War. However, there had been no way of controlling black market prices. A considerable proportion of the pay rises also took place outside the stipulations on wage controls, as employers were forced to increase wages by the shortage of labour. The lower pay rates – of women and unskilled workers – rose somewhat faster than wages in general. A general dissatisfaction with wages had grown during the latter part of the Continuation War and erupted in a chain reaction of ultimatums, strikes and pay increases from autumn 1944 to spring 1945.

The STK had resolutely resisted the principle of collective agreements, and in the spring of 1944 it would still not accept the term as a description of a general agreement it had made with the SAK. However, with the coming of peace, the resistance of the employers crumbled. In the new situation, they considered that collective agreements were necessary in order to preserve peace in society. New national collective agreements on wages and working conditions were signed during autumn 1944 and spring 1945, but the real breakthrough and the ultimate establishment of collective agreements came in the years 1945–1947.

The Finnish government made a remarkable effort to further national collective agreements. This was accelerated by a cabinet decision on wage controls on 19 June 1945. The decision defined standard wages and other principles regarding the calculation of pay. At the same time, it indirectly obliged trade unions and employers' organizations to define wages for each category of worker in their collective agreements. This political decision created a set of norms for wages, which unions and employers were required to apply in practice through negotiations and agreements. The organs in charge of wage controls – on occasion, the cabinet as well – approved the agreements made by the labour market organizations.

However, for all its formal strictness, this government decision on wages had the paradoxical effect of making the collective bargaining system very unstable. Wage controls were not successful, since

they did not cover piecework pay and productivity bonuses. The classification of workers according to their skills, the strenuousness or hardness of the job, the sex of the worker and place of residency caused disputes not only between employers' organizations and trade unions, but also between and within the unions themselves. Some special clauses in the decision on wages initially provided a kind of safety valve, releasing the pressures for wage increases that had built up in certain sectors. Their actual application led to new pressures, and these in turn to threats of industrial action and strikes.

Commerce became established as a low-wage sector during the period of wage controls because it was one of the so-called "fixed-wage sectors" where there were no productivity incentives or piecework bonuses to boost earnings.

Photo: Työväen Arkisto.

The standard wages defined by the cabinet and collective agreements based on them provided a good basis for comparing wages in different sectors. In the new national publicity of the labour market, the growth of wages in different fields were linked

together both administratively and in practice. Pay rises obtained by individual trade unions or groups of workers easily led to a general spiralling of wages. Wages in different sectors were interrelated in the 1940s, which was reflected by the whole 'wage front' being either peaceful or agitated. A period of peace could come to an end because a levelling wage increase in one sector caused the wage-earners in other sectors to agitate for wage increases.

Finnish labour market relations were operating within a new framework. The coming of collective agreements increased workers' rights and opportunities to influence their own affairs. The position of the trade union movement was solidified. SAK and the STK renewed their general agreement to conform with the new industrial relations situation in May 1946. The new agreement confirmed the position of shop stewards. In 1946, the parliament passed new laws on labour agreements, industrial tribunals and the arbitration of industrial disputes. In the same year, a law on productivity committees was also passed. Workers' holiday rights were also improved in 1946.

The wage control decision linked agricultural prices with wage development, as the wages of agricultural workers were one of the central grounds for determining agricultural prices. The Finnish incomes distribution policy thus developed in an unstable quadripartite system, as wage and price decisions were closely interdependent. This quadripartite was formed by the state, the organizations of agricultural producers, the employers' organizations and the trade union movement. The Central Union of Agricultural Producers (Maataloustuottajain Keskusliitto, MTK), the SAK and the STK perceived the incomes distribution struggles of the regulatory period largely as a zero-sum game, which further aggravated the instability of the system.

In the maelstrom of the Cold War

In autumn 1944, the SAK had tried to curb the power struggle between the Social Democrats and the Communists. The Social Democrats in the SAK were generally very flexible compared with

the SDP party leaders. The trade union section of the Finnish Communist Party and the President of the SAK, Eero A. Wuori, managed to found common ground for future activities in early 1945. Extending the international relations of the SAK was one question on which both parties were agreed.

The basis of cooperation was the SAK's opposition to war, fascism and reaction. The aim was to increase democracy in political, economic and social life. On the initiative of the Communists, it was agreed that the educational work of the SAK should in the future be based entirely on Marxist doctrine. At that time, Marxism was also the source of the Social Democrats' ideological inspiration, so it was not a question of an important concession by them. The SAK promised to bring forward its own Congress and those of its affiliated unions, and before these were held, to employ Communist officials. The Communists and Social Democrats mutually undertook to allow the minority side representations in the administrative organs and agencies they respectively controlled, proportional to their relative strengths.

The position of the Communists in the SAK quickly grew stronger as they won a majority in several unions. They also won the elections of an extraordinary Congress of the SAK in spring 1946. The Social Democrats refused to recognize the result of the elections and accused the Communists of election fraud. However, in fact, both sides committed election malpractices, partly intentionally and partly out of inexperience. The SAK's Communist leaders agreed to cancel the 1946 Congress and thus quash the election result. In return, the Social Democrats were willing to accept the appointment of the Communist Väinö Tattari as Second President of the organization by General Council of the SAK.

The Soviet leaders of the Control Commission demanded peace on the labour front to ensure the prompt delivery of the goods that constituted the reparations. The whole labour movement was represented in the country's coalition government and thus bore a share of the responsibility for running the country. Consequently, the SKP also tried to prevent the outbreak of strikes. The leaders of the SAK had firmly committed themselves to economic and social

stability in order to ensure that the war reparations to the Soviet Union were paid, and that the shortages of foreign currency and goods could be corrected through increasing production. However, it became increasingly difficult to ensure stability on the labour market when there was a large rise in the prices of agricultural products. This was followed by pay claims and strikes. Appreciable levelling increases in wages were awarded in summer and again in autumn 1947.

Relations between the Social Democrats and the Communists began to deteriorate. The economic disagreements between the SDP and the SKP, the wage disputes between the unions and the electoral battle for the regular Congress of the SAK in 1947 were closely interconnected. The Social Democrats won a clear majority in the Congress. It was still held, at least in form, in a spirit of cooperation.

In 1947, numerous industrial actions and the threat of a general strike by the SAK led to a revision of wage controls. Wages were linked to the cost of living index, which automatically guaranteed wage increases slightly in excess of any rise in prices that might take place. This also allowed social policy to be linked with this labour market solution. In 1947, the SAK and the STK agreed on a family credit system, which increased the wages of men with families. It was replaced by a general child benefit system the following year.

The tension between the SDP and SKP in Finland was a manifestation and reflection of the Cold War lines of division within the European labour movement. The SKDL went into opposition after a defeat in the general election of 1948, and the Social Democrats formed a minority government. Between 1948 and 1949, relations between the Social Democrats and the Communists in the SAK deteriorated almost to the point of complete rupture.

With the votes of its Social Democratic members, the SAK condemned a strike at the Arabia Ceramic Factory in autumn 1948, which was supported by the SKP and the Communist-led unions. A battle for power between the Social Democrats and the Communists was waged in different trade unions. In 1948, the Finnish Transport Workers' Union split as a result of this power struggle, and in 1949, the Communists lost their majority in the Finnish Paperworkers' Union and the Finnish Woodworkers' Union.

Under pressure from the leaders of the SKP, many Communist-led unions began a strike wave in autumn 1949. The SAK Social Democrats took an active part in helping to break these strikes. A confrontation in Kemi between demonstrators supporting the strikers and the police led to the death of two demonstrators. On the votes of the Social Democrats, the SAK expelled those trade unions and local unions that had taken industrial action.

After the Second World War, nearly all of the most important confederations belonged to the World Federation of Trade Unions. The WFTU split when an increase in the great powers' mutual distrust and power struggle led to the Cold War. In 1948, the confederations of most of the Western nations left the WFTU, which had fallen under the control of the Communists. In the following year, these central organizations, which were mainly led by Social Democrats, founded the International Confederation of Free Trade Unions (ICFTU). However, the unity of the SAK was important to the WFTU, to which it was affiliated, as well as to the Soviets.

In Finland, the situation in autumn 1949 was so exacerbated that many Communist trade union leaders felt that it was time to found their own central organization. However, when the leaders of the WFTU and of the Soviet central organization the VZSPS visited Finland, they quashed the idea of founding a rival Communist confederation alongside the SAK. The expelled unions submitted to the conditions of the Social Democrats. Five of them were readmitted to the SAK, while two remained outside. Thus the organizational unity of the SAK was preserved – unlike in France and Italy, for example, where at the end of the 1940s the Communists and Social Democrats could no longer sit together in the same central organizations.

The SAK's membership of the WFTU in 1949 prevented the Communists from going their own way, but the SAK broke off relations with the WFTU as early as 1950. In 1951, the Congress decided that the SAK should resign from it. At first, the SAK remained outside both international organizations, although it cooperated closely with the central organizations of the other Nordic countries, which belonged to the ICFTU, The American Federation of Labor and Congress of Industrial Organizations (AFL–CIO) and the British

TUC, as well as maintaining contact with the ICFTU. SAK finally joined the ICFTU in 1957.

A period of stabilization

The trade union movement struggled to stabilize its organizational basis. In 1948, the SAK aimed to raise its membership to 400,000, but the number of members fell to 240,000 in 1953. The SAK trade unions and their local branches were also weakened by the exhausting conflicts between the Communists and the Social Democrats, which deterred workers from joining. The drop in membership was partly a result of the post-war labour shortage coming to an end and the worsening economic situation. This diminished the negotiating power of the trade union movement. At work places, the increasing weakness of the trade union movement was reflected in the tougher measures adopted by employers.

After the strikes of 1949, the Social Democrats tried to reassert their position within the trade union movement. To this end, the Congress of 1951 restricted the authority of individual unions to take independent decisions and transferred it to the central organization. According to the new rules, the affiliated unions could not terminate their collective agreements without the consent of the confederation. Before taking strike action, they had to seek permission from the SAK's Executive Committee. The changes in the rules had some surprising consequences during the 1950s. The rules were intended to curb the Communists' zeal for strikes, but they exacerbated the agreement disputes between the Social Democratic unions.

In late summer 1949, the SAK and the SDP had rejected the claims for wage increases presented by the Communists, but by the turn of the year, the Social Democrat ministers of the SDP and the trade union leaders were themselves squabbling over the necessity and size of pay rises. In January 1950, the Social Democratic minority government of K.-A. Fagerholm decided to increase wages and end wage controls. Incomes policy was transferred from the Price and Wage Control Council to the unions and employers' organizations.

Soon afterwards, a centre-right minority government under Urho Kekkonen assumed power. The wage negotiations ended in an impasse in spring 1950. The SAK issued a warning of a general strike in order to speed up the negotiations. In a ballot of the SAK members, a clear majority voted in favour of a solution, called the F Agreement, brokered by K.-A. Fagerholm, now the Speaker of Parliament.

The big industrial unions of the metal, paper and wood workers threatened with industrial action, as the application of the F Agreement into practice failed in the negotiations in their respective sectors. The employers in the paper sector made concessions at the last moment, but strikes began in the metal, sawmill and carpentry sectors in August and September. The number of strikers rose to circa 100,000. The SAK tried to get a solution to these strikes in October by issuing yet another warning of a general strike. This achieved its aim, and agreements were made.

The Korean War brought along the fear of yet another world war. This new threat brought the Agrarian League and the Social Democrats closer. In early 1951, they formed a majority government. In accordance with the demands of the SAK, wage increases were introduced to compensate for the increase in living costs. In order to curb the rise in prices and wages, the government and the main labour and employers' organizations agreed to call a 'truce' in 1951, during which time prices and wages would be frozen as far as possible. The SAK's position in planning the country's economic policy was thus strengthened.

Finland's unstable economic development created tensions in domestic politics and industrial relations. There were frequent changes of government in the 1950s, and disputes about economic policy. In 1953, Prime Minister Urho Kekkonen supported a proposal for lowering wages and prices put forward by experts. His government fell. It was replaced by a caretaker government composed of right-wing economic experts and industrial leaders, led by Sakari Tuomioja. Tuomioja's government abandoned the deflationary plans.

The influence of the SAK reached its peak in autumn 1954. Its threat of a general strike over prices and incomes policy had a crucial

As the trade union movement grew and collective bargaining expanded, so the need for organisational training increased. This picture shows students on summer courses at Kiljava Trade Union College in 1954.

Photo: Ammattiyhdistysarkisto.

influence on the agenda of Urho Kekkonen's fifth government. At the initiative of the SAK, proposals for lower living costs and new wage controls were adopted in the government's programme. The SAK's General Council discussed and approved the government's programme before the government itself had even been constituted.

The real earnings of industrial workers rose slightly during 1951–1955. The stabilization policy continued to favour piecework sectors. Branches where earnings were tied to time rates were more strictly regulated and fell behind in wage development. Skilled workers and low-paid employees in key sectors criticized wage controls. Nevertheless, the SAK urged its affiliated unions to adhere strictly to the frameworks agreed by the labour market organizations. As a result, the SAK caused dissatisfaction among its members, since the unions of other central organizations were given a freer hand to negotiate conditions of employment.

The Communists criticized the stabilization solutions, as they considered that the workers' standard of living was falling. After the death of Joseph Stalin, the international Communist movement reassessed its relationship with the Social Democrats. In January 1954, the SKP Central Committee approved a declaration called Workers Cooperate (Työväki yhteistoimintaan). According to the declaration, party members should refrain from all kinds of mockery of the Social Democrats. Communists should also give up the competition for the most radical proposals in local government councils and in the trade union movement.

The General Strike of 1956

In terms of membership, the SAK was weak compared with the confederations of the other Nordic countries, but it had nevertheless managed to exert an influence on the economic policy of the whole country in the years after the war. The united front consisting of the government, the SAK, the MTK (the agricultural producers) and the STK was breaking apart. The STK was strongly represented in the right-wing caretaker government of 1953–1954, and the SAK General Council had approved the programme of Kekkonen's government in 1954. The mutual trust between the STK and the SAK Social Democrats, an essential factor of which was a common fear of Communism, was shattered. Disputes regarding economic policy in 1953, the general elections of 1954 and the preparations for the 1956 presidential election inflamed relations between the Social Democratic Party and the Agrarian League.

Wage and price controls were dismantled when a supermajority of the parliament refused to continue the relevant enabling act in 1955. Society was ill-prepared for this change, although the SAK and the STK had agreed that wages should have semi-automatic connection to the cost of living index when wage and price controls ended at the beginning of 1956. The SAK had the right to call for adjustment negotiations after 1 June 1956 if the cost of living index rose by five per cent. However, living costs began to rise rapidly

when, with the ending of price controls, the agricultural producers immediately raised the price of dairy products in January 1956. Rents also went up. By February 1956, the cost of living had already risen by seven per cent.

The SAK demanded that prices should be lowered, but the government no longer had the powers to effect this. It was crippled by the coming presidential elections and was unable to control the course of events. The SAK then proposed to the STK a separate wage increase of twelve marks per hour to cover the increase in the cost of living. The negotiations broke down. On 16 February 1956, the Council of the SAK decided that a general strike would commence on 1 March if no satisfactory solution was reached. This was the fifth time that the SAK had threatened a general strike after the

The Finnish incomes distribution policy developed in an unstable quadripartite system, as wage and price decisions were closely interdependent. Guadripartite tensions in 1956 are pictured here so that the government and SAK are taking all burdens of stabilisation and the Central Union of Agricultural Producers (MTK) and employers' confederation STK are just pretending to carry the weight.

Photo: Työväenmuseo Werstas.

Second World War. The employers were prepared to face out the strike, because exports were anyway impeded by the freezing over of the Baltic Sea. Nor were they as concerned about domestic unrest as in the 1940s, as the Soviet Union had agreed to hand over the military base at Porkkala that it had occupied. The leaders of the STK considered that this was a suitable time to curb the influence of the SAK.

The General Strike called by the SAK and a ban on the supply of dairy products proclaimed by the MTK as a counter measure began on 1 March 1956. On the same day, Urho Kekkonen assumed the office of President. The MTK's ban only served to increase the determination of the workers. It was, after all, the increase in the cost of dairy products that had caused the General Strike. The number of workers taking part in the strike far exceeded the membership of the SAK. There were over 400,000 people on strike, while the

The General Strike of 1956 was the biggest industrial action of the postwar years. Strike pickets stood watch beside factory gates and service stations, in the countryside and in the towns. Here a cycle picket patrol investigates a forest work site.

Photo: Ammattiyhdistysarkisto

number of members of the SAK was circa 270,000. The strike also united the Social Democrats and Communists of the SAK in the same united front.

The General Strike brought the whole country to a standstill for nineteen days. It was hard for the strikers, since the small funds available for strike allowances could only be distributed to those most in need. Generally, there was little violence during the General Strike. However, the authorities did adopt tougher measures when the strikers tried to stop the distribution of petrol by force in order to prevent motor traffic. Apart from some scuffles and a few cars being overturned, there was little serious violence, although the authorities were prepared for severe confrontations and the army was placed on a state of alert. The big demonstrations organized by the SAK during the General Strike passed off without incident.

The General Strike ended on 20 March 1956. Adult workers received an increase of twelve marks (about 6–10 per cent) and youths eight marks in their hourly rates, and there were commensurate rises in weekly and monthly wages. However, the SAK's victory was only temporary. On the basis of the agreement to end the General Strike, industry was granted substantial compensation in tax relief, which was funded by increasing the taxes and other charges paid by workers. Moreover, the prices of bread, meat and fish went up soon after the strike. In the summer of 1956, the SAK demanded full compensation for the rise in prices, but it no longer had the resources to enforce its demands.

Slow disunion

The organizational culture of the Social Democrats was created in the 1940s mainly by quick-witted, hard-headed young men who had been through the war. They believed that Finland would soon become a society where a strong Social Democratic government and the trade union movement held sway, as in Sweden, Norway and Denmark. This vision of the future soon vanished. The leaders of the Social Democratic Party found it difficult to accept and

understand the continued electoral success of the SKDL and the Agrarian League and the mediocrity of the SAK's organizational strength. The bitterness of the disputes among the Social Democrats in that decade is partly explained by the fact that they looked for, and found, scapegoats for the lack of success of the SDP, SAK and TUL (the Workers' Sports Federation) among their own ranks.

The disputes that led to the split in the Social Democratic Party first of all concerned the future of the workers' own sports organization, which occupied a position of considerable strength by Nordic standards. The fundamental question was whether the Social Democratic Party should aim to become a party with more universal appeal and seek the support of the middle classes or continue to draw its primary strength from the distinct culture of the workers' organizations. Those who supported a party based on class emphasized the mass strength of the workers' independent organizations and opposed the integration of the TUL with the bourgeois national sports organizations.

The disputes between the SAK and the SDP over matters of economic policy and power politics were another feature of the party disputes. Many of the SAK leaders held up post-war Britain as the model, because they thought that the British Labour Party was practically the political wing of the trade union movement. The SAK supported a more active economic policy that would maintain high employment and economic growth. The leaders of the Social Democratic Party censured the SAK for calling a general strike without first consulting the party on resorting to such a radical means of exerting pressure. The leaders of the SAK, for their part, condemned the willingness of Party Secretary Väinö Leskinen to resort to military forces to curb the strikers. In 1957, Väinö Tanner became the Chairman of the SDP. He did not support the full employment policy of the SAK but considered combatting inflation to be the most important economic goal.

The front lines were not clear. The goals and factions varied according to Finland's policy with regard to the Soviet Union, for example. The most influential players in the different areas of disunity could appear first on one side and then on the other at different

stages of the process. The disputes in the labour movement were interrelated through the personalities who were prominent in some or all of these organizations at the same time.

The organizational disunion in the SAK had started back in 1949, when two Communist-led trade unions were permanently excluded from the organization. Then, in 1952, the Communist-dominated Finnish Textile Industry Workers' Union was expelled, and in its place a new union led by the Social Democrats, the Weaving and Knitwear Workers' Union was founded. The electricians, who belonged to the Finnish Metalworkers' Union, and who were dissatisfied with the collective agreements, founded their own organization, the Finnish Electrical Workers' Union in 1955. The SAK refused to accept it as a member.

The presidency of the SAK changed hands several times after the Second World War. Personality clashes became exacerbated in 1954 when a clear majority of the Social Democrats on the Executive Committee of the SAK supported Eero Antikainen to succeed Aki Sumu as the confederation's President. The minority supported Olavi Lindblom, the General Secretary of the SAK. After the General Strike, the feud became aggravated. Lindblom considered the wage increases that the majority proposed to compensate the workers in full for the rise in prices to be impossible.

The General Strike caused another dispute in the SAK, when some trade unions demanded that the organization pay the strike allowances it had promised during the strike. This dispute first of all spoiled relations between the SAK and the Finnish Seaman's Union, when the union refused to pay its contributions to the central organization because it had not received any strike allowances. At the SAK Congress in 1956, the Social Democrats split into two separate group meetings to prepare proposals for the assembly. Finally, the disputes became so aggravated that the Executive Committee dismissed Lindblom from his post in 1957.

The Social Democratic leaders of the SAK and the TUL belonged to the faction that lost in the Party Conference of 1957. The Second President of the SAK, Vihtori Rantanen, led the defeated

faction in the Social Democratic Party leadership election in a walk-out from the hall. The first unions left, or were expelled, from the SAK in the same year. Together with the Electricians' Union, they formed their own central organization: the Cooperative Organization of Trade Unions (Ammattiliittojen Yhteistyöjärjestö).

Ignoring the decisions of the Social Democratic Party and the majority of the party's parliamentary group, the leaders of the Social Democratic opposition group became ministers in a coalition government headed by the Agrarian League in autumn 1957. Soon after the formation of the government, the SAK began to publish its own newspaper, Päivän Sanomat, which supported the SDP opposition faction. The chances of reconciliation in the party evaporated in 1958 when the parliamentary group split.

The SDP minority group founded the Social Democratic Union of Workers and Smallholders (Työväen ja Pienviljelijäin Sosialidemokraattisen Liitto, TPSL) in 1959. Serious negotiations aimed at reconciliation were conducted within the trade union movement in 1959. The leading TPSL and SKP trade unionists refused to take back the unions that had left or been expelled, since their return would have tipped the balance of power unfavourably for the TPSL and SKP and pushed them into a minority. Several trade unions and local unions left the SAK when the attempt to reunify the confederation failed in 1960, but it succeeded in keeping its most powerful unions and the majority of its members.

In the SAK disputes of the late 1950s, both sides harshly accused each other of damaging the common interests of the working class. The opponents were branded as either wreckers of the unified strength of the workers' organizations or Communist fellow travellers. The final rift in the SAK was postponed until 1960, which alleviated its effects. Many SDP members remained in the ranks of unions that still belonged to the SAK. They contributed to the reunification of the trade union movement in both the SAK and the SDP.

The problem of equal wages

In principle, the labour movement and the trade union movement supported equality. However, for decades, local branches and trade unions entered into collective agreements that included different wages for men and women.

In 1905, equal pay was a goal of the Finnish Dockworkers' Union (Suomen Satamatyöntekijäin Liitto) – but the underlying rationale of the male dock workers was to exclude women from the field altogether. They believed equal wages would ensure that men were given preference when workers were hired, increasing the male dominance over time. In fact, in a pay dispute in the 1920s, the female leaders of the Finnish Commercial Workers' Union had opposed any appreciable reduction in wage differentials between men and women. They feared women would end up unemployed. Trade unions in the commercial sector in Finland and Sweden believed that a rapid move towards equal pay would lead to a general lowering of men's wages and a rise in female unemployment.

After the Second World War, the employers opposed any decrease in the wage differentials between skilled and unskilled workers and between men and women because they feared that skilled workers (i.e. men) would then demand that the differentials be restored. The government decision on wage controls on 19 June 1945 raised women's wages and made official a differential of 10–15 per cent between men's and women's pay for the same work. Even so, in industry the difference remained at about 30 per cent, because men and women rarely did the same jobs.

Women regarded their different rates as unjust. Therefore, women delegates raised a lively debate on equal pay at the SAK Congress in 1947. The Congress adopted the principle of equal pay for equal work irrespective of sex or marital status. However, efforts towards this goal proceeded slowly, because the leaders of the SAK considered other aims more important, and because wage control regulations had fixed wage differentials between men and women up to 1956.

On the initiative of the Women's Section of the SAK, the Executive Committee chose Tyyne Leivo-Larsson as the organization's representative at the 1951 meeting of the ILO. In the summer of 1950, she was the representative of Finland when the ILO discussed the convention that obliged its member nations to define principles of remuneration without discrimination based on sex. The ILO passed the convention the following year. Thereafter, the SAK began to take a more determined line in working for equal wages. At the Congress of 1956, it adopted the economic and wages policy of the goal of removing separate rates for women in collective agreements.

The Finnish Committee on Equal Wages, which had been established in 1953, only completed its work in 1960. The principle of equal wages was included in the policy statement of the government of Ahti Karjalainen (Agrarian League) in 1962, when the representatives of the SAK stipulated it as a condition of their participation in the government. The parliament ratified the ILO convention on equal wages in October 1962. Women's work rates gradually disappeared altogether from collective agreements by 1966.

Equality between the sexes in remuneration and working life in general has continued to be a bone of contention in industrial relations up to the present day. The debate on pay differentials in male- and female-dominated sectors is complicated by disputes about how work experience, training, the heaviness and demanding nature of the work, and the ability of the employer to pay should be taken into consideration when making collective agreements. The SAK holds equal pay for equal and equivalent work for men and women as its objective. The wage difference decreased to 20 per cent during the 1960s and 1980s, but development since then has been insignificant.

The period of division

Ten affiliated unions left the SAK in 1960. The Finnish Commercial Workers Union left the following year, and the KTV (the municipal employees' union) in 1962. Several of the unions that had left the

SAK and most of those that belonged to the Cooperative Organization of Trade Unions together founded the Finnish Trade Union Federation (Suomen Ammattijärjestö, SAJ) in the autumn of 1960. Two large unions in the service sector, those of municipal employees and commercial workers, and a joint organization of a number of unions representing civil servants remained outside both of the central organizations as independent trade unions. Both the SAK and the SAJ founded unions to parallel those that were affiliated to the rival confederation. The SAK unions also competed for the members of municipal employees' union.

The relations of the SAK with the ICFTU and the central organizations of the other Nordic countries cooled when they lent their support to the Social Democrat-led SAJ. Correspondingly, relations with the Soviet VZSPS became closer, and to offset membership of the ICFTU, a permanent consultative committee between the SAK and its Soviet counterpart was established in 1958. The SAK also maintained contacts with the confederations of the other Communist countries.

Despite the opposition of the SAK, the SAJ became a member of the ICFTU in 1960. The SAJ, together with the independent trade unions, maintained relations with countries on the other side in the Cold War: the Nordic countries, the United States and West Germany. In this way, they emphasized their commitment to Western democracy and were critical of the close relations of the SAK and the President of Finland, Urho Kekkonen, with the USSR. At different stages during this period of rift, the SAK received financial support both from the West and from the East. The SAJ and its unions only obtained support from the West.

The interconnected disunion of the Social Democratic Party and the SAK made for unrest and faction in the domestic politics of the years 1956–1966. The weakness and instability of the Finnish economy exacerbated the political division. The 1958 general election brought a left-wing majority to Parliament. The SKDL was the largest party in parliament, as the Social Democrats were split into two. The SDP, the Social Democratic opposition and the SKDL were incapable of cooperating to form a government. Governments

went under one after another. President Kekkonen and the Agrarian League became stronger, but only the former was able to consolidate his position of power.

The Finnish model

Since 1940, the SAK had, on a number of occasions, exerted a significant influence on Finnish society and industrial relations. Numerous laws concerning social security and working life had come into being as a result of joint initiatives of labour market organizations. However, the status of labour market negotiations had never become firmly established. The general strike of 1956 reflected not only the unstable state of working life in Finland but also the mutual distrust between the government, the MTK, the employers' associations and the workers' organizations. 1960–1961 marked a qualitative change in the collaboration between the SAK and the STK.

In Finnish industrial relations, troubled years of strikes were succeeded by more settled periods of stability. The unsettled nature of these relations resulted to a great extent from the fact that the national economy was dependent on exports and consequently experienced rapid fluctuations. From the point of view of the labour market organizations, the government's domestic policy had also been short-sighted. In many work places, employers were hostile to trade union activities, and consequently the position of shop stewards was insecure. Unlike in the other Nordic countries, union density in Finland was only at the average European level.

Mistrust and juxtaposition prevailed simultaneously as the SAK's position weakened due to its division. On the other hand, the STK feared the majority of left-wing parties in the Parliament of 1958 would bring about unpredictable changes in social policy and work legislation. The enactment of the Annual Holidays Act in spring 1960 showed the STK that the majority of left in Parliament was able to push through significant reforms despite the resistance of the employers and the right-wing National Coalition Party (Kansallinen Kokoomus).

The SAK and the STK found each other in the unemployment insurance reform of 1960, which increased the level of benefits and extended the payment scheme. The unemployment fund reform improved the opportunities of the unemployment funds, which operated in connection with trade unions, to pay unemployment benefits, as contributions collected from employers now covered the majority of the expenses. This solution was cheaper for the employers than the universal unemployment insurance act, which had already been passed by the parliament, but had been voted over the next parliamentary election by the blocking minority. The solvent unemployment funds attracted new members to the trade unions, so the reform was a mutual success for the SAK and the STK.

In autumn 1960, the SAK proposed to the STK a centralized wage solution for the years 1961–1962. The wage increases and other changes in work conditions proposed by the SAK were so favourable for the employers that an agreement was reached before the founding of the SAJ. The established general agreement emphasized the SAK–STK collaboration and permanently side-lined the SAJ and most of its member unions from decisive collective bargaining.

The employment pension laws enacted by the parliament in 1961 marked the final step in cementing the new, confidential relationship between the Finnish labour market organizations. The people's pension reform of 1956 created a basic pension insurance system that combined fixed-rate benefits with means-tested benefits. Neither the SAK nor the STK were happy with the solution. During 1959–1960, the labour market organizations drafted a compromise in the Employment Pension Committee. These proposals were introduced to parliament exceptionally through a motion (instead of a government bill, as was custom). The Finnish pension model was complemented with universal statutory earnings-related pensions, which were managed and consolidated by private insurance funds. In 1963, the parliament, which had gathered a majority of right-wing parties in the elections of 1962, passed the Sickness Insurance Act that had been pushed by the trade union movement for decades.

The matter of reducing working hours progressed in stages. In 1959, the working week was 45 hours in nearly all fields, and 42

hours for uninterrupted three-shift work. A law passed in 1960 guaranteed 18–24 days (3-4 weeks) of annual holiday for all those in permanent employment. The SAK and its affiliated unions waged highly visible campaigns to get working hours reduced in the 1960s. In June 1965, the SAK, the Confederation of Clerical Workers' and the Civil Servants' Organizations, the SAJ and the STK agreed to move over to a forty-hour, five-day working week by 1970.

Reunification and organizational change

The trade union movement, which had split into three parts, was gradually reunified between 1964 and 1969. In the opinion of those who were involved, it progressed with agonizing slowness. However, once the reunification process got under way, it was unstoppable. At least in principle, all the trade union leaders came to support the consolidation of the union movement, because the members of the trade unions and the local unions were tired of their reciprocal competition and opposition to one another. The employers' organizations were also in favour of getting rid of the parallel activities of the unions, as were the most important ministers in the government from 1966 onwards, as they reckoned that a united trade union movement would be capable of prosecuting a longer-term and more responsible industrial relations policy than the competing organizations had been.

The leading members of many trade unions discussed the conditions for unification unofficially. Semi-official negotiations began in spring 1965. The discussions were held under the neutral chairmanship of Professor Heikki Waris. The unification discussions drove the SAJ into a crisis. The majority of the SAJ's Executive Committee condemned the confederation's President, Veikko Oksanen, for taking part in these discussions. After a vote of no confidence, Oksanen resigned. The General Secretary of the SAJ, Jaakko Rantanen, was elected in his place.

The process of reunification was conducted by the leaders of the national trade unions, as direct contact between the presidents

of the central organizations was impossible owing to the deep distrust that prevailed between them. What was known as the Waris Committee fostered a mutual trust that transcended party and confederation borders and provided a basis for practical solutions. In March 1966, the 21 trade union leaders who took part in the discussions issued a declaration which demanded that the forces of trade union movement be united and presented a principled basis for unification as well as a draft set of rules for a single common central organization for the Finnish trade union movement.

The approaching the SAK Congress encouraged those who were promoting reunification to resolve the political and organizational deadlocks that still stood in the way of accord. Negotiations held under the leadership of Väinö Leskinen, a highly experienced and influential Social Democrat, and Aarne Saarinen, the President of the Communist Party, gave rise to a recommendation that the position of the SDP and SKDL should be strengthened in the leadership of the SAK. The intention was to end the period of the TPSL's power in the central organization and oust the President, Vihtori Rantanen. The recommendation included an agreement that the rules of the central organization should be changed. The Congress of 1966 increased the independence of the trade unions. The member unions of the SAK gained a foothold in collective agreement negotiations and in entering industrial action.

The political agreement held at the SAK Congress in June 1966, although both the TPSL and those who had been in a minority at the SKP Congress in the spring of that year voted against the proposed solution. The Congress elected Niilo Hämäläinen, the Social Democratic President of the Rural Workers' Union, as President, and Arvo Hautala, the Communist President of the Finnish Foodstuffs Workers' Union, as Second President. Sulo Pentilä (SDP) and Simo Elomaa (SKP) were elected as Secretaries. The representation of the Social Democrats and the People's Democrats on the Executive Committee grew, and the position of the TPSL crumbled.

Unification negotiations proper began after the SAK Congress. In October 1967, a model for unification was agreed upon,

according to which the SAK and the SAJ would be abolished and a new central organization created. The model, which was supported by the SAJ, the weaker organization, would have left the problematic unification of parallel and overlapping unions to be solved sometime in the dim future. The SDP and the SKP issued a joint party recommendation supporting this unification model. The SAJ soon lost its position of advantage. A scandal about support given by the CIA to anti-Communist organizations shook its reputation and unity. The Finnish Printers' Union left the SAJ because its leaders were not satisfied with statements about the central organization's funding.

Throughout the period of disunity, the SAK had been stronger in terms of membership than the SAJ and the independent unions combined. The major industrial trade unions were also affiliated, which ensured that in the period of disunion, the SAK still wielded greater influence on industrial relations than its rivals. The SDP Chairman, Rafael Paasio, believed that in planning a basis for unification, it was necessary to take into account which side had the troops. The unification negotiations were broken off, but resumed on the initiative of the independent unions in 1968. They produced a solution which solved all the major problems at once. Those trade unions that opted for unification were to commit themselves not only to a common central organization but also to a programme that would get rid of overlaps at union level.

This unification programme at union level was a brave step. Numerous small unions would be amalgamated into trade unions in accordance with the industrial union principle. The programme also provided for the creation of one new trade union in the chemical industry, which had expanded rapidly in the 1960s. The unification programme formulated the organizational structure of the SAK well into the future. The affiliated unions of the SAK solved most of the demarcation squabbles that had preceded the period of disunion as well as the problems of parallel unions that had arisen from it.

The reunification offered the trade union movement a unique opportunity to reform its organizational structure. A clear organi-

zational structure made activities more effective and rational, as the interests of a single group of workers were represented by one trade union. In this way, the members of the trade union realised that they could have an influence on the development of their own sector and on the making of collective agreements within it.

The unification of the SAK was confirmed in March 1969, when nearly all the organizations that had taken part in the final stages of the unification negotiations agreed to hold a new constitutive meeting for a common central organization. The decade-long disunion ended in an extraordinary Congress of the SAK on 17–18 June 1969. At this meeting, the transfer of power from the central organization to the affiliated unions that had begun in 1966 was carried even further. The nature and name of the existing organization changed. The new name, the Central Organization of Finnish Trade Unions (Suomen Ammattiliittojen Keskusjärjestö, SAK) reflected the change of the former leading confederation of the whole trade union movement into a central organization of independent but cooperative trade unions.

The process of unification changed the attitude of the SAK and its affiliated unions to political activity. The SAK now emphasized its autonomy and independence of political parties, which in practice meant distancing itself from politics in general. However, the strong input of the SDP and SKP in supporting the unification negotiations and the agreements in the SAK before the 1966 and 1969 Congresses on the relative strengths of the political groups in the confederation's administrative organs and body of officials created a basis for legitimizing party political group activities within the SAK and most of its affiliated trade unions. The open activities of the political groups created a framework for cooperation between the workers' parties in the unions, but at the same time deflected the attention of many trade union leaders to power struggles within their unions. This was particularly the case for unions in which support for the Social Democrats and the Communists was almost equal.

The era of incomes policy

There were rapid changes in Finnish domestic politics in the 1960s. A joint front constituted by the SDP and the National Coalition Party to oust President Kekkonen folded in November 1961. Olavi Honka, the rival presidential candidate, withdrew his candidacy when the Soviet Union delivered a diplomatic note demanding military consultations, which was interpreted as a veiled threat. In the party conferences of 1963 and 1966, the SDP moved towards the left. At the same time, it began to support friendly relations with the USSR. There was a lively policy debate within the SKDL and the Finnish Communist Party. The parties set as their target improving the conditions for cooperation between the left-wing parties. Prominent SKP members of the trade union movement who were weary of the activities of the TPSL in the SAK and willing to cooperate with the SDP were elected to positions of leadership at the Communist Party Conference in January 1966.

As a result of the general election of spring 1966, there was a left-wing majority in the parliament. The number of SDP seats rose from 38 to 55. The Chairman of the SDP, Rafael Paasio, formed a coalition government which included the SDP, the Centre Party (the former Agrarian League), the SKDL and the TPSL. The SDP returned to office after eight years in opposition and the SKDL for the first time since 1948. The cooperation of the workers' parties in government gave a strong boost to the attempts of the trade union movement to reunite its forces.

The rapid change in the structure of society and the partial liberation of foreign trade due to the free trade agreement with the EFTA in 1962 exacerbated the economic problems. In economic boom periods from the 1960s to the 1980s, the national economy ran into difficulties, as increased demand led to a growth in imports and balance of payment problems. The competitive weakness of Finnish industry at home and on the export markets was corrected in periods of recession by lowering the value of the Finnish mark. Devaluation boosted exports, which in turn created an economic upswing. This then led to a growth in imports, inflation, a new recession and another devaluation.

In the early 1960s, an international discussion inspired the idea of creating a model to promote stability in Finland. According to this model, labour market organizations and the government would co-operate to break the cycles of inflation. It bundled together economic, social and labour policy matters as well as wages and conditions of employment in a single package. This stabilizing model was called incomes policy. A report by the government's Economic Council in 1964 outlined an incomes policy in which the four players involved in cooperation – the trade unions, the employers' organizations, the MTK and the government – would bind themselves to promote the smooth and favourable development of the economy.

The fundamental idea of incomes policy was that all parties involved should get a share of the benefits accruing from the rise in productivity of the national economy. The content of incomes policy was specified in greater detail in a report of the Economic Council to the government in January 1967. Incomes policy was seen as the best way to soothe troubled industrial relations and slow down inflation. According to the visions, it would take the development of the national economy onto a path of smoother growth. However, Nils Nilsson, the SAK's economic policy expert, was very sceptical of incomes policy. He deemed it to be a scheme for curbing wage inflation resulting from a labour shortage. However, Finland did not suffer from a labour shortage, but unemployment and emigration.

The devaluation of the Finnish markka in October 1967 prompted the labour market organizations, the government, the Bank of Finland and the agricultural producers to engage in serious discussions with an aim of stabilizing the economy. In December 1967, the government appointed the National Conciliator, Keijo Liinamaa, to take charge of incomes policy. In the negotiations, the government was represented by Mauno Koivisto, who had previously been Minister of Finance and then became Prime Minister.

Finnish industrial relations were multifaceted. Parallel negotiations took place: government-led discussions and discussions between the SAK and the STK. Päiviö Hetemäki, the Managing Director of the STK and the Presidents of the SAK, Niilo Hämäläinen and Arvo Hautala, together outlined the contents of a future solution. The TVK

(the federation of white-collar workers), Akava (the professionals' federation), LTK (the central organization of commercial employers) and MTK (the agricultural producers) were all involved in making incomes policy agreements. The complicated negotiations led to a comprehensive incomes policy agreement in March 1968. The agreement, which was known as Liinamaa I, bundled wages, prices, unemployment benefits, pensions, agricultural subsidies and numerous other social policy decisions together into one tight package.

Incomes policy diminished wage inequalities and improved the conditions for trade union activities. Level increases in hourly and monthly rates of pay benefited small wage-earners. This spirit of solidarity was to continue in the following incomes policy agreements. The STK, followed by the other employers' organizations, agreed with the SAK that their affiliated companies would deduct union dues directly from the wages of union members. The government offered additional support for trade unions and the employers' organizations by changing the law so that trade union contributions became tax-deductible.

Through legislation and agreements with employers, the SAK also managed to effect improvements in the employment security, operational rights and wages of shop stewards. The trade union movement became more firmly established in the work place as union membership rose and the position of shop stewards was strengthened considerably.

Comprehensive incomes policy agreements consolidated the right of agricultural producers to similar income development to wage-earners. This had already been legally stipulated through the agricultural incomes acts of 1956 and 1958. The conditions of employment in local government were harmonized when the Municipal Agreement Commission (Kunnallinen sopimusvaltuuskunta, established in 1970) signed collective agreements on behalf of all local authorities. Moreover, state civil servants now received the right to make collective agreements and take industrial action in addition to the right to enter into collective bargaining that they had received in 1943. The State Employer's Office (Valtion työmarkkinalaitos) was established to negotiate with the civil servants' unions.

In the late 1970s, the almost unanimous opposition of the organizations that had obtained established positions at the incomes policy negotiation tables was unable to prevent the Finnish Confederation of Technical Salaried Employees (STTK) from entering the incomes policy collective bargaining process as a fourth workers' confederation.

The policy of class reconciliation

An incomes policy in which the unions, the employers, the government and the agricultural producers fixed wages, the price of agricultural products and subsidies, and changes in legislation attracted criticism from many quarters. The political opposition accused the labour market organizations of dictating the terms when the government brought changes in the laws on social security and industrial relations before the parliament for approval. The dispute in the Communist Party led to a split when a minority of party members accused trade union leaders who belonged to the majority of reinforcing state monopolistic capitalism. The slogan of the minority in the 1970s was: Down with incomes policy! Down with class reconciliation!

Strikes increased in almost every country in Western Europe in the late 1960s and early 1970s. These were also linked to the rapid growth in the strength of leftist revolutionary groups among students in the USA and Western Europe. In Finland, too, students and academics turned towards the labour movement. For example, during the strikes of 1971 in the metal industry and the building trade, the strikers got free medical care.

Incomes policy in the 1970s involved more than just balancing the economy. During that decade, some Social Democrats, several leaders of the employers' organizations, numerous right-wing politicians and also the Security Police considered that critical industrial relations disputes, large-scale strikes and even changes in the power relations within individual trade unions could spark revolutionary unrest. Some old conservatives feared – and some of the radical left hoped for – an imminent revolution. The threat of a revolution

scared some of the employers and right-wing politicians into supporting social reforms and the strengthening of the position of the trade union movement. They wanted to consolidate the position of the moderate Social Democrats within the SAK and to dampen the influence of the Communists within the trade union movement.

During the time of the first comprehensive incomes policy agreements, the employment situation improved, industrial relations were peaceful and inflation was curbed. This was exceptional in Finland. However, the coming of comprehensive incomes policy agreements did not end the instability of either the economy or industrial relations. Rapid economic fluctuations and at times spiralling inflation undermined the conditions for stable labour market development. The large unions called long-lasting strikes. In periods of economic upswing, wage drift (i.e., where wages were increased beyond agreed increases) was considerable.

In international comparison, Finland saw a remarkably active decade of industrial action during the 1970s. This was due to the strikes for collective agreements led by the trade unions and local struggles. Workers were eager to take the initiative and employers were on the defence. The number of short local wildcat strikes grew rapidly in the early 1970s. The lock-outs of the building industry of 1971 and 1973 were exceptional measures on the part of the employers. The number of work days lost through strikes and lock-outs remained at a high level through the 1980s. Even the increase in strike sanctions in 1984 did not curb striking activities to a significant extent. It was not until the recession of the 1990s that work days lost through strikes and lock-outs fell to a substantially lower level.

In the 1970s, the negotiation position of the workers was strengthened by the labour shortage caused by the great emigration flow to Sweden. In addition, experiences from Sweden encouraged returning Finnish workers to demand better treatment and working conditions. Employers found it difficult to learn to negotiate and make agreements with a strong trade union movement in the work place. Wildcat strikes tended to be concentrated in sectors where the work force was mainly male: harbours, construction sites, metal

and paper plants. In these sectors, industrial action became a habit, part of the rhythm of local negotiations. Local strikes inflamed relations between Social Democrats and Communists, particularly in the Finnish Metalworkers' Union.

In Finnish industrial relations, there was a succession of comprehensive incomes policy agreements, agreements between central organizations which were only joint in form, and collective agreements at union level under the supervision of the SAK and the largest unions or with the SAK side-lined as a mere bystander. Incomes policy agreements guaranteed all wage-earners the same rights regarding the activities they could legally engage in, the social security benefits they were eligible for, and their hours of work. On the other hand, the advantages gained by individual unions regarding holidays, wages and other conditions of work were often gradually transferred to agreements about conditions of employment in other sectors. Thus industrial relations were strategically shaped by both comprehensive incomes policy agreements and sectoral collective agreements.

There have been varying degrees of solidarity and cooperation, and open competition in wage levels, between the SAK unions. The ranks of the private sector employers, too, have occasionally been in disorder; in matters of taxation, pensions and social security, the interests of the STK, which represented capital-intensive and male-dominated industry, have conflicted with those of the LTK, which represented the labour-intensive and female-dominated private services sector. Comprehensive incomes policy agreements and collective agreements made by individual unions were the method used in Finland to deal with an unstable economy. The differing structure of the agreements offered a flexible way to release the tensions between different sectors.

During the 1970s and 1980s, the Finnish industrial relations model was tripartite, but at the same time also multifaceted. The triad formed by the SAK, the STK and the government was not alone in dictating the course of events. The STTK, TVK, Akava, LTK, Municipal Agreement Commission and State Employer's Office also had a say in things. This simultaneously created both instability

and inflexibility on the one hand, and continuity and flexibility on the other. Some individual employers' and workers' organizations attempted to break free of this system of agreements, which established mutual obligations and provided for evenly paced changes. Occasionally, one of the workers' confederations remained outside or was left out in a comprehensive incomes policy agreement.

The fundamental idea behind comprehensive incomes policy agreements was that reasonable compromise was the best way in which to promote the national economy as a whole. The workers' and employers' organizations considered that in the long run, this kind of class reconciliation offered the best means of securing the interests of their own members. The SAK supported this policy of class reconciliation.

Occupational safety improved

When it comes to the improvement of occupational safety, industrial countries controlled the freedom of action of enterprises and other organizations from early on. The rationale was that workers, who were in a weaker position on the labour market, should not be exposed to unreasonable health risks at work. As in many other countries, the first working life legislation in Finland was for the protection of workers, when the imperial statute on the protection of industrial workers was passed in 1889. The government also deemed the protection of workers to be a matter of social and national economy. Workers who lost their ability to work due to occupational accidents or occupational illnesses transformed from being breadwinners and taxpayers to being dependent and needing care. This was the argument for collecting funds to cover the expenses of accident insurances and disability pensions from employers.

Occupational accidents and illnesses illustrate the harshest sides and conflicts of working life, when economic profit-seeking and the life, health and ability to function of the individual are juxtaposed. The class conflict between the capitalists and the working class was not the sole perspective on occupational health and safety,

however. Accidents at construction sites, factories, warehouses, shops and bureaus were also a problem for employers, since they always meant a shorter or longer break in worktime. The loss of skilled workers due to an accident or occupational illness was problematic for the employer as well.

Several workplaces were still dangerous in the 1970s. Work could literally get under your skin. The health of workers was at immediate and latent risk due to long-term working where metal, stone, textile and other dust, gases, solvents and ash found their way into workers' bodies. Workers could be exposed to radiation, loud noises, strong vibration, draught, cold, heat or major temperature fluctuations. Forestry workers suffered from vibration disease and rock drillers from pneumoconiosis. Chainsaw kicks caused accidents. The most treacherous danger was asbestos, which caused cancers even decades after exposure. In worker jobs and occupations, only a few maintained their working ability until the official retirement age of 65.

In the 1970s, research, legislation, education and training in occupational health and safety improved both in quality and quantity for the benefit of the workers. Everyday work life became better as industrial safety legislation was reformed. In addition to shop stewards, several work places introduced industrial safety delegates, which improved compliance with industrial safety regulations and made work processes safer. Occupational safety collaboration practices were established at work places.

In the 1970s, the STK deemed collaborative relations with the trade union movement to be necessary to guarantee industrial peace and social stability. The cooperation between employers and the trade union movement concentrated on expanding the activities of the Centre for Industrial Safety (Työturvallisuuskeskus). The activities of this government-established organ were based on the cooperation of the labour market organizations, in which one thread was curbing the possibility of the Communists, who were influential on the National Board of Labour Protection (työsuojeluhallitus), inciting a spirit of class conflict.

Niilo Hämäläinen, President of the SAK, described the conflict of interest in industrial safety in 1972 as follows:

When the issue is always about the health and safety of the worker, and rarely the employer's own health and safety, it is understandable that the demands of the worker's side go further than the employers would voluntarily meet.

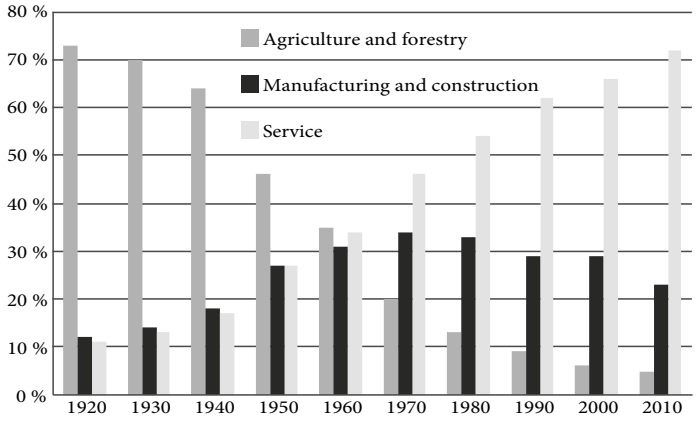
In Finland, the improvement of occupational safety did not solely take place on the basis of the peaceful collaboration of the labour market organizations, nor by curbing the influence of the National Board of Labour. In 1975–1976, the SAK drew support from the decisions of the National Board of Labour when the industrial safety agreement was renewed. Even the SAK Social Democrats did not consider the joint training and education organized and provided by the Centre for Industrial Safety as the best means for furthering occupational safety. Instead, the SAK sought to independently organize training for its industrial safety delegates.

Social change and the rise of the trade union movement

Finnish society has been shaped by rapid structural changes. The market economy constantly realigns the two essential resources of production in Finland: labour and capital. The change in the country's industrial structure has created new opportunities, but has also caused serious problems. Land has been cleared for cultivation and then reforested. Factories, mines, shops, post offices, banks, hospitals and schools have been built, taken into use and closed down.

Most dramatic was the collapse in the demand for labour in agriculture and forestry as tractors and chainsaws replaced the muscle power of men and horses. The consequence was that the underemployment which had been general in the countryside, now changed into permanent unemployment, resulting in migration into cities or emigration to Sweden. The rural population shrank as Finland became a wage-earner society. Despite this, agricultural production has gone up and forest felling of wood has increased.

Structure of employment in Finland 1920–2010



Source: Official Statistics of Finland

The emigration flow from Finland to Sweden or from the countryside to the cities has been regarded as either a glorious success or a huge disaster, depending on one's point of view. For some it provided new opportunities. For others it meant unemployment. The upheaval in society caused social problems, but it also offered a chance to improve one's standard of living. For instance, women's waged work increased dramatically in the 1970s, which prompted labour market organizations to demand more municipal day care services.

Finland underwent drastic changes. The size and conveniences of dwellings improved. Gravel roads were surfaced. Industry and service production grew. The great evolution in work and economic life increased productivity and shortened working hours. Finland became a wage-earner society in the 1970s, for it was then that the majority of men and women of working age became involved in waged work, as economic self-sufficiency and intermittent seasonal work were replaced by more permanent jobs. Characterizing figures

of the societal development of Finland included an increase in life expectancy, level of education and consumption.

It was in the middle of this change that industrial relations moved over to comprehensive incomes policy agreements and the SAK was unified. The change in the structure of the economy and the policy of wage solidarity that the SAK urged ensured that the distribution of income rapidly became more evenly spread at the end of the 1960s and the beginning of the 1970s. In terms of distribution of income, Finland quickly became one of the most egalitarian and equitable countries in the world.

The membership of almost all trade unions increased. Unionization became civil custom. A decrease in political discrimination, the consolidation of the position of shop stewards, the creation of trade unions' unemployment benefit funds and the direct deduction of union dues by the employers all helped to launch the SAK and the whole Finnish trade union movement into a phase of record-breaking organizational growth. In the 1970s, the poor, unstable trade unions that had employed only a few people became important social institutions.

The Finnish trade union movement divided into trade unions and confederations according to their varying principles of organization. However, the boundaries between the organizations remained reasonably clear. Unlike in many other European countries, joining a particular trade union or central organization in Finland has not been based on party political or religious allegiance. The members of the SAK and the other confederations included supporters of all parliamentary parties.

For example, in Austria, Germany and the United Kingdom, the decline of unionism began when women started to seek employment, and the number of jobs in the service sector grew. In fact, the situation of the Finnish trade union movement was still even weaker than in those countries in the 1960s. However, the spiralling growth of trade unionism in work places and society as a whole, which was enabled by the unification of the movement and comprehensive incomes policy agreements, also attracted workers from predominantly female sectors into the trade unions.

Finish society went through a rapid structural change in the 1960s and 1970s. Although a rise in the standard of living and migration from the countryside provided work in construction, building workers have often suffered from unemployment as a result of unstable economic conditions.

Photo: Ammattiyhdistysarkisto

The real breakthrough for the Finnish trade union movement took place as the whole of society became modernized. Membership of the trade union movement was as much a part of modern life as running water, a television set or a private car. At the beginning of the 1970s, it represented a fresh force at the work place and in Finnish society in general. Finland's unstable but rapid economic growth in the 1980s – unlike that of almost any other European country – created favourable conditions for the establishment of trade union activities right up until 1990. Finnish society had the initiative to take progressive measures. Wages and social welfare improved, public services expanded, holidays got longer and working hours got shorter.

Achievements and dissatisfaction

Finland was moulded into a welfare state along social policy reforms made by the parliament, a significant part of which had been settled in comprehensive incomes policy agreements or otherwise discussed by the labour market organizations. The building of a welfare state involved a constant political battle waged in the parliament, government policy discussions and comprehensive incomes policy negotiations. A law on the national health service, the reform of the educational system with the introduction of comprehensive schools, expansion of municipal child care, improvement of unemployment benefits, and reform of pension laws all made Finland a more egalitarian and equitable society.

The conservative National Coalition Party opposed increased public spending on services and education. The Centre Party wanted to focus the state's support on agriculture and the countryside. The Finnish Rural Party accused the other parties of forgetting the ordinary people. The SKP and SKDL considered that many of the social reforms only went halfway. At times, the SAK was sharply critical of the food prices, agricultural subsidies and laws on farmers' pensions, as wage-earners had to pay for these income transfers.

President Urho Kekkonen held sway over the political field in Finland when negotiations concerning the comprehensive incomes policy agreement were conducted in the late 1960s. Initially, he took the role of a bystander, but in the 1970s, he placed himself in the centre field of incomes policy. Kekkonen adopted the proposal outlined by Niilo Hämäläinen, President of the SAK, and Päiviö Hetemäki, Managing Director of the STK, as the comprehensive incomes policy agreement of 1971. In a live television broadcast, President Kekkonen pleaded with the Council of the SAK to accept this solution, named the UKK agreement. Domestic politics in Finland were unstable because of constant changes of government and the party composition of coalitions. Kekkonen increased this instability when he dissolved the parliament in 1972 and 1975. In 1974, an exceptive law allowed him to continue as President for another four years.

In 1978, all the major parties chose Kekkonen as their presidential candidate in the regular elections of the electoral college, and so he was re-elected for yet another six years. However, in 1981, the 81-year-old Kekkonen was forced to resign due to a serious illness. The Social Democrat Mauno Koivisto was elected as the next President. The succession affected cooperation in the government between the Social Democratic and Centre Parties, but they continued to work together during the first half of the 1980s.

The long period of government collaboration between the SDP and the Centre Party ended in 1987, when the SDP and the National Coalition Party formed a coalition government together with some of the smaller right-wing parties. The left-wing parties lost support in the parliamentary and local government elections; support for the SDP remained at about 24 per cent, but SKDL support fell. The left fared better in presidential elections. The Social Democratic Party's presidential candidates have won in the elections of 1982, 1988, 1994, 2000 and 2006. Sauli Niinistö, the candidate of the National Coalition Party, won the presidential elections in 2012.

The stability of the economy and industrial relations in Finland have varied constantly. For example, the amount and extent of industrial action varied almost from year to year. The strikes in the construction sector and metal industry in 1971 and the lock-out and strike in construction in 1973 were prolonged trials of strength that only served to emphasize the fact that the advent of the age of comprehensive incomes policy agreements had not brought peaceful co-existence to industrial relations. The internal disputes within the Communist Party and the withdrawal of the SKDL into opposition in national politics compromised the spirit of cooperation in the SAK. In the early 1970s, the SKDL group on the Executive Board of the SAK often voted against approving comprehensive incomes policy agreements and agreements between the central organizations. In the SAK and its affiliated unions, cooperation between the Social Democrats and the People's Democrats was complicated; the former generally tried to prevent wildcat strikes, whereas the Communists in the latter group were more favourably disposed towards them.

A change in wage structure and problems in fixed-wage sectors caused the trade unions to seek solutions for the difficulties besetting their own particular trades through strikes. The strong unions in the country's export sectors, such as the Paperworkers' Union and the Metalworkers' Union, mainly used negotiations and occasionally strike action at the local level to obtain wage drift that secured the favourable development of their earnings. The workers in industries that mostly served domestic markets prosecuted their interests by means of union-level strikes. In the public sector, the SAK trade unions held a strong position, thus their collective agreements were reached through negotiation. The unions of the other federations in the public sector were ready to resort to industrial action.

The unsettled state of industrial relations did not destroy the will or ability of the labour market organizations to enter into new comprehensive incomes policy agreements. The so-called Lindblom agreement for 1974–1975 included significant improvements in pension, maternity leave and child benefits. In 1978, parental leaves were complemented with short paternity leave.

Incomes policy agreements, general policy agreements made at union level or policies proposed by the National Conciliator curbed the possibilities of individual unions to go their own way and cause any appreciable breaches in the consensus at the comprehensive incomes policy negotiations. In the mid-1970s, Finland sank into a recession, and there was a rapid increase in unemployment. The flexibility of industrial relations in Finland is illustrated by the fact that in December 1977, the SAK agreed to postpone some wage increases that were scheduled for 1978.

The SAK entered into a number of inter-confederation agreements with the STK and LTK in the 1970s and 1980s. This was an on-going process, in which old agreements were supplemented, new benefits were agreed upon and mutual rules of conduct were established. Some of the agreements were on the practical implementation of changes in labour law. For example, in 1976, the federations entered into an agreement on occupational safety related to the law on the supervision of occupational safety.

Membership of the largest trade unions in the SAK 1970–2000

Year	Municipal sector	Commercial sector	Metal industry	Building industry	VTY
1970	64,812	40,385	105,614	82,948	62,436
1980	146,120	94,189	157,214	88,449	111,579
1990	200,906	114,718	142,527	99,646	102,317
2000	208,000 *	129,590	170,114	79,476	35,855 **

**) Estimate by the KTV*

***) VReforms in state enterprises and privatization have led to several unions leaving the Federation of State Employees' Unions and becoming directly affiliated to the SAK.*

The membership of the SAK became more diverse in the period 1970–2000, when the trade unions representing the service and public sectors grew more rapidly than the federation's traditionally strong industrial unions. The Finnish Transport Workers' Union (Auto- ja Kuljetusalan Työntekijäliitto, AKT) and the Hotel and Restaurant Workers' Union (Hotelli- ja Ravintolatyöntekijäin Liitto, HRHL), which had both increased their membership, were critical of the wage settlements made by the SAK in comprehensive incomes policy agreements during the 1980s. They therefore opted out of these agreements, since they deemed that settling for the fixed wage increases meant that their incomes development would fall behind that of other sectors.

Incomes policy agreements spurred on the reformation of social policy based on waged work in the 1980s. The level of social benefits was increased, and benefits became earnings-related. At the same time, tax-exempted benefits were made taxable. The incomes policy agreement of 1981–1982 (Pekkanen I) included a reform of sickness and accident insurance. A levelling increase for unemployment benefits and transformation into earnings-related benefits were realised through the incomes policy agreement of 1984–1985 (Pekkanen II).

The SAK seemed to be powerless when in June 1984, the parliament passed a bill presented by the government of Kalevi Sorsa (SDP) to raise the maximum compensatory fines for strikes that contravened the industrial peace obligation of collective agreements. However, the economic boom, high employment and criticism from within the trade union movement all spurred the SAK on to considerable achievements from the mid-1980s onwards. First, annual working hours were reduced by 32 hours.

The SAK was working determinedly to obtain shorter working hours in the spring of 1986, but Akava, the STTK and TVK surprisingly entered into a so-called white-collar workers' incomes policy agreement with the STK and LTK. Despite its exclusion, the SAK succeeded by means of a two-day general strike to obtain a separate and considerably better comprehensive agreement that included a reduction of 68 hours in annual work time. Annual working hours thus decreased by 100 hours during the 1980s. The multifarious nature of industrial relations in Finland was emphasized when the LTK refused to be party to the agreement made by the SAK, the STK and the government.

The confederations of clerical workers detaching themselves from incomes policy was connected with the aspiration to merge Akava, the STTK and TVK into one trade union confederation. The planned clerical workers' confederation and the SAK's exclusion from collective agreement negotiations were unrealized threat scenarios, but they prompted the SAK to deepen its collaboration with other central organizations. The cooperation of wage-earners' confederations was born.

In 1987, the National Coalition Party and the Social Democrats formed a government under the former's Harri Holkeri. The government set out to reform several labour laws. Preparations did not take place according to the tripartite principle, as employers' organizations opposed all forms of improving workers' employment security. The labour market organizations did not reach consensus in the employment security reform, at which point the government outlined the changes for the employment contract and cooperation acts in January 1988. This left the employers bitter. They concluded

that the SAK and other workers' organizations had exploited the situation, which was exceptionally favourable for them, and bypassed the tripartite negotiations for their own benefit.

Political groups were a common part of trade union activity especially in those unions where the Social Democrats and the People's Democrats were evenly represented. The split in the political struggle into two camps had contributed to cementing a solidarity within these political groups that transcended occupations, agreements and age groups. When the party political struggle abated, new tensions arose. Conflicts of interest and disputes regarding income distribution between the different trade unions were exacerbated in the late 1980s. Different sectors – industry and construction, the public sector and private services – both within the SAK and across confederation boundaries began to form groups to protect their own interests. This created new tensions in the SAK's activities operation and in incomes policy generally.

The position of women in the SAK

Cooperation has given individual workers strength and influence through the trade unions and central organizations. The organization of workers has improved human rights both in the work place and in society in general. The members of the Finnish trade union movement have managed to influence wages, working hours, working conditions and social policy. A strong influence has brought along tensions in the trade union movement's activities. This is clear when it comes to the participation and influence of women.

Women have not been in the forefront in trade unions, even though the share of women of the work force in waged work has been high compared to other Nordic countries. In 1907–1929, the proportion of women of the total number of members of the SAK was only circa 22 per cent, at its best, and still under 30 per cent up until 1969. The strength of women remained low up till the 1960s, but after the unification of the trade union movement, women began to join trade unions to a greater extent. Women working in

the service trades contributed to the growth of trade unionism. The membership of the SAK grew rapidly in the early 1970s, and the number of female members increased relatively even faster. By 1975, women constituted over forty per cent of the SAK's members.

Proportions of male and female members of the SAK 1970–2010

	Men	%	Women	%	Total
1970	440,234	67,7	209,999	32,3	650,233
1980	590,460	57,3	438,379	42,7	1,028,839
1990	585,050	54,6	486,274	45,4	1,071,324
2000	578,339	54,0	492,482	46,0	1,070,821
2010	553,983	53,3	485,572	46,7	1,039,555

Before the First World War, only the presidents of the domestic servants' and seamstresses' unions had been women. Men took over the leadership when these unions were absorbed into bigger ones. Two women were elected to the Executive Committee of the Finnish Federation of Trade Unions at the constitutive meeting in 1907, but after that power eluded women for a long time. Side-lined as they were, women established women's federations alongside the political parties and formed their own sections within local unions. Most men considered these separate activities unnecessary and even detrimental to the overall interests of the labour movement.

In 1937, the SAK Congress passed a decision binding the Executive Committee to establish a five-member Women's Section and to employ a female officer on a permanent basis. The decision was reached after an intense dispute, by 38 votes to 32. The Women's Section started its activities in 1938. In 1970, the Women's Section became the Women's Committee, the work of which has been carried on since 1986 by the Equality Committee. The new millennium marked a qualitative change, as the Equality Committee was disbanded. Gender-related problems of men and women are at the

The growth in public and private services from the 1960s on has increased the number of women in paid employment. For example, kitchen work became available in both municipal and private canteens. Finnish women joined the trade union movement, and they have gradually risen to positions of leadership.

Photo: Työväen Arkisto.

centre of the equality work of the SAK. In 2012, the SAK therefore proposed to Paavo Arhinmäki, Minister of Equality, to establish a committee for investigating the status of men.

With regard to the division of labour between the sexes, most of the leaders and officials in trade unions were men up until the 1970s. Two of the few women who served in these capacities were Laura Härmä, who was elected to the Executive Committee of the SAK in 1947, and Elina Vuohio, who was made President of the Garment Workers' Union. In the period 1969–1975, there was only one woman on the Executive Board of the SAK. The critical change in the affiliated unions of the SAK took place in 1986, when the Rubber and Leather Workers' Union and the Textile and Garment Workers' Unions chose women as their presidents.

The proportion of women on the Executive Board of the SAK rose until 1991, but has since then decreased. In 2011, there were seventeen men and three women on the Executive Board of the SAK. Among the chairs of the boards of SAK member unions, there were only a few women in 2013. Substantial change occurred in summer 2015: after the conferences of several strong trade unions, there were eight women and twelve men in the Executive Board of the SAK. On the other hand, the Service Unions United (Palvelualojen Ammattiliitto, PAM), led by Ann Selin, is the second largest union in the SAK in terms of membership.

The male-dominated trade union movement has furthered equality goals. Solidarity of wage policies has been an integral part of the SAK's bargaining policy. The flat wage increases awarded in the first comprehensive incomes policy agreements mainly benefited low-paid women. In the 1990s, the so-called equality sums provided for in comprehensive incomes policy agreements have crucially affected the development of women's earnings in fixed-wage sectors.

When women entered the labour market, the need for day care services increased. This has been a matter negotiated in several incomes policy agreements. The SAK favoured separate assessment of spouses, since joint assessment was unfavourable for working couples. In early 1975, the labour market organizations convinced the government to agree to this reform. As of 1976, spouses have been taxed separately. This has encouraged both spouses to enter the labour market.

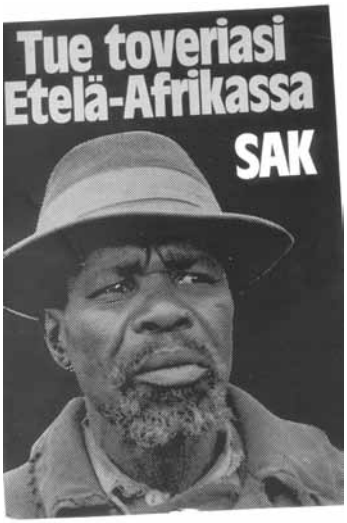
From friendship with the USSR to working with the EU

During the Cold War, Finland was a country that interested both the Soviet Union and the USA. East and West alike attempted to influence the international contacts that the Finnish trade union movement made and maintained and the stands that it took on matters of dispute in world politics. For this reason, the unification of the movement was of interest to both the West's ICFTU and the

Soviet confederation, the VZSPS. The SAK's unification agreement emphasized equal contact with both the socialist and the capitalist countries. After unification, the SAK maintained close relations with the federations of the Soviet Union and the Nordic countries. The SAK supported the Finnish government's official policy of neutrality.

The unification agreement directed the activities of both the SAK and its member unions. An improvement in its financial resources made it possible for the Finnish trade union movement to expand its overseas contacts. The SAK began to lay the foundations for trade union cooperation across power bloc boundaries. In 1971, the SAK Congress offered the leaders of Western and Socialist trade unions the opportunity to meet and take part in unofficial discussions. The guests at the SAK Congress discussed the organization of a European trade union conference. The conference, which symbolized a détente in international trade union relations, was held in Geneva in 1975.

The SAK generally supported Finland's official foreign policy. In 1975 and 1985, it celebrated the anniversaries of the defeat of fascism and the end of the Second World War together with the



International solidarity became prominent in SAK activities in the 1970s and 1980s. The international trade union movement and SAK condemned apartheid in South Africa. A ban on South African exports and imports initiated by the transport workers in autumn 1985 got the support of SAK.

Photo: Ammattiyhdistysarkisto.

VZSPS. In the 1970s, it supported the diplomatic recognition of the sovereignty of both Germanies. The Soviet VZSPS and the Finnish Akava, SAK, STTK and TVK formed a standing collaborative committee, which fostered the cooperation of the neighbouring countries' trade unions.

The SAK's commitment to the Finnish government's endeavours to maintain good and confidential relations with the Soviet Union was apparent in its attitude in the 1980s to the Polish Solidarity trade union, which was independent of the Communist state system. The SAK and its affiliated unions expressed regret when the government of Poland proscribed this movement. On the other hand, at the ICFTU and the Council of Nordic Trade Unions (NFS), the SAK approved resolutions which strongly condemned the Polish government.

The attempt to harmonize the demands of international solidarity, the country's official, almost cynical, foreign policy and the need to secure employment for its members caused tensions in the SAK in the 1980s. For instance, the boycotts of copper imports from Chile in the 1970s were short-lived. The deterioration of the situation in South Africa caused the international trade union movement to condemn the policy of apartheid with increasing acerbity. On 20 October 1985, the Finnish Transport Workers' Union (AKT) decided to put a ban on all South African imports and exports. The AKT's bold solution received the support of the SAK Executive Board and public opinion. Most of the SAK's other affiliated unions joined this boycott. In 1987, this led to the parliament enacting a law that forbade trade with South Africa.

In the 1970s, the SAK put a strong emphasis on peace and solidarity. Its support for the African liberation movements was considerable and long-standing. In order to organize the solidarity work of the SAK and its affiliated unions, the Finnish Trade Unions' Solidarity Centre (SASK) was established in October 1986. In the same year, the SAK, the Metalworkers' Union and the Transport Workers' Union prevented under threat of a boycott the projected investments of the Finnish mining company Outokumpu in Chile, where a military dictatorship was in power. Solidarity with the

people of Chile caused an internal dispute in the SAK in summer 1988 after the government gave loan guarantees to Outokumpu to enable it to participate in a mining project there. The AKT presented similar tough threats of measures against Outokumpu to those it had made in 1986. On a decision of the SAK, however, the decision to impose a boycott was postponed, and eventually it was considered unnecessary to use pressure as Chile had begun to move towards democracy.

The International Labour Organization is the oldest UN specialized agency, which passes international conventions concerning the development of labour legislation. The work of the ILO is based on tripartite collaboration, in which governments, employers and workers are represented. Ever since its foundation, the SAK has taken an active role in the Finnish delegation to the ILO. Many countries have copied the model of the ILO in drafting labour legislation on the basis of tripartite negotiations. ILO's conventions have improved occupational safety, the trade union rights of workers and equality between workers. They have had a considerable influence on labour legislation in Finland. During the last few years, the employers' representatives have stood tough in the ILO and vitiated new agreements that would improve the position of workers.

Nordic cooperation has taken place at the Council of Nordic Trade Unions (NFS), which was established in 1972. The SAK has also participated in the SAMAK, a cooperative committee of Social Democratic Parties and the large workers' confederations. Bilateral cooperation has been close particularly between the Scandinavian confederations. Trade union activities in Estonia and the other Baltic countries have been supported since the Soviet crash.

The SAK influenced the process that led Finland into ever closer involvement with economic and political cooperation in Western Europe. Valdemar Liljeström, President of the Metalworkers' Union, took part as the SAK's representative in formulating Finland's goals at the turn of the 1950s and 1960s, when negotiations were held about the association of Finland with the European Free Trade Area (EFTA). In the early 1970s, the Social Democratic leaders

of the SAK supported a free trade agreement between the EEC and Finland. The SAK became a member of the Trade Union Advisory Committee (TUAC) to the OECD. Participation in cooperation at the European level intensified when Finland joined the European Trade Union Confederation (ETUC) in 1974.

To some extent, international cooperation has brought the Finnish employee confederations closer together, as Akava and the STTK were also members of the NFS, the ETUC, the ICFTU and the TUAC. In 1993, Akava, the SAK and the STTK initiated the Confederations' Europe Project (KEY-Finland), which provided strong additional support for Finnish membership of the EU. KEY-Finland opened a joint office of the Finnish trade union movement in Brussels in early 1995. All three confederations also participated in establishing the new International Trade Union Confederation (ITUC) in 2006.

Finland's participation in Western economic integration ruffled feathers in the trade union movement. Communist-led trade unions opposed both the FINN-EFTA agreement and the free trade arrangements with the EEC. There were also opponents among Social Democratic trade union leaders. The SAK therefore did not take a stance in regard to the FINN-EFTA agreement, nor the EEC agreement. However, representatives of the trade union movement did participate in the preparation of the EEC free trade arrangement. In its statements, the SAK emphasized that economic policy decisions that facilitated adapting to the new situation were needed alongside the free trade arrangement. The EEC agreement was complemented with so-called protective laws, which evened out economic cycles. These laws mainly matched the objectives of the trade union movement.

The SAK kept a close eye on the development of the EEC and later the EU. In 1988, the Finnish government began to alter Finnish legislation to conform to EU regulations. Since not only economic policy was involved, but also matters of occupational safety and social policy, the wage-earners' confederations appointed their own representatives to the government organs dealing with integration.

The presidents of Finland's largest trade union confederations met Jacques Delors, the President of the EU Commission in July 1988, as European integration gathered momentum.

The SAK provided its own contribution when the Finnish government negotiated with the EU on the European Economic Area agreement and later on Finland's membership of the EU. A clear majority of the Council of the SAK gave its support to Finnish EU membership, as did well over half of the group of the Left Alliance, which formed a minority of the SAK Council. The most influential leaders in the SAK unanimously supported Finnish membership, but according to opinion polls, the opposite opinion prevailed among the members of SAK.

The President of the SAK, Lauri Ihalainen, and the presidents of the large trade unions spoke in favour of membership even before the national referendum in 1994. Only two leaders of the SAK member unions opposed the membership. The SAK supported the yes campaign even before the national referendum. The result of the referendum was clear: 56.9 per cent were in favour of EU membership, 43.1 per cent were against it.

The SAK has had an active role in moulding Finnish EU policy. The trade union movement has ensured that EU membership does not affect the generally binding nature of collective agreements. The preparation work for Finland joining the Economic and Monetary Union (EMU) of the EU took place through tripartite collaboration. Upon the initiative of the SAK and other trade union confederations, Finland was groomed for the new currency and interest environment by establishing moderate comprehensive incomes policy agreements, and cyclical reserves (so-called EMU buffer funds) in the pension and unemployment benefit schemes. SAK's continued contact with different ministries is commonplace now that EU membership has blurred the boundaries between domestic and foreign politics. The SAK also has a say in European affairs through the European Trade Union Conference and the EU's own agencies. The SAK has had a representative on the Economic and Social Committee of the EU.

The SAK has participated, and continues to participate, in planning official Finnish foreign policy in matters relating to the

economy, trade, labour and social and human rights. Participation has brought influence, but it has also tied the SAK to supporting government policies, from the decisions on free trade in the 1960s and 1970s up to the EU and EMU membership decisions in the 1990s.

Through the recession

Internal tensions within the SAK came to a head in December 1989, when the majority of its affiliated unions failed to reach union-level collective agreements within the framework of the comprehensive incomes policy agreement by the stipulated time limit. The whole comprehensive incomes policy agreement was in danger of falling through. The President of the SAK, Pertti Viinanen, was so disappointed that he warned the General Council of the SAK to prepare to elect a new President. However, in his traditional New Year's Day speech, the President of Finland, Mauno Koivisto, made an appeal, and further negotiations by the organizations led to a new comprehensive agreement. Even so, Viinanen did resign. The General Secretary of the SAK, Lauri Ihalainen, was elected President in his place.

It was a disputatious confederation that Ihalainen took over in spring 1990. In the late 1980s and early 1990s, experts on industrial relations and social scientists predicted a drop in the membership and influence of the trade union movement. The prospects for the future became even gloomier when Finland went into a deep recession in 1991. The reputation and status of the trade union movement was weakened when the female-dominated Confederation of Clerical Workers' and Civil Servants' Organizations went bankrupt in 1992. However, most of the member unions of the TVK carried on with their activities. Most of them soon joined the STTK. Only a fragment of the former TVK unions joined the SAK. Despite the gloom predictions, membership of trade unions increased in 1990–1993.

A four-party bourgeois coalition under the President of the Centre Party, Esko Aho, assumed power in spring 1991. The government linked the Finnish markka to the ERM in summer 1991, but

this failed to stabilize the currency. After the devaluations in 1991 and 1992, the markka was left floating. The crash in the value of the markka and a crisis in banking that shook the whole financial world in Finland increased the atmosphere of panic. Unemployment rose to over half a million in 1994, and deficits in public spending increased rapidly.

The economic depression, the centre-right government and the fall of the Soviet Union inspired the employers' federation to demand a complete revision of the whole system of industrial relations. In September 1991, the STK proposed a new agreement policy. The STK wished to reform labour legislation, comprehensive agreements and collective agreements in such a way that wages and working hours would be agreed at the place of work between employers and workers. The trade union movement opposed the STK's proposition and dubbed it The Satanic Verses after Salman Rushdie's novel.

Prime Minister Esko Aho was also for a complete overhaul of the Finnish industrial relations model. He proposed to replace the tripartite model of cooperation between the government, the employers' associations and the workers organizations with a new division of labour in which the Bank of Finland would be responsible for monetary policy and interest rates, the government for fiscal policy and the labour market organizations only for wages.

A tight interest rate policy by the Bank of Finland, cuts in social security proposed by the government and an increase in tax in the middle of the recession increased economic uncertainty. Domestic demand fell away, and construction work dropped to under half of what it had been during the boom years. The SAK became the leading opposition force when the Social Democratic Party was crippled by leadership disputes in the years 1991–1993. A demonstration organized by the Akava, the SAK, the STTK and the TVK in the middle of Helsinki in October 1991 was attended by 40,000 people.

The employers' front was divided, as the LTK would not immediately agree to the STK's demands for scrapping the whole industrial relations system. Under the pressure of recession, the SAK and the other workers' confederations agreed to decisions that

transferred some of pension and unemployment funding, which had hitherto been paid mainly by employers, to workers. Net wages of wage-earners decreased. There were dramatic, yet non-violent, confrontations between the government and the trade union movement.

Finland's economic situation was extremely weak: thousands of firms had gone bankrupt and unemployment was rising rapidly. The government proposed large cuts in unemployment benefits. There were also proposals for changes in labour legislation. In February 1992, the SAK organized a demonstration in front of the parliament building and in April an action day, in which over 300,000 workers took part or were on strike for the whole day. In autumn 1992, there were negotiations to review the two-year comprehensive incomes policy agreement. The situation was aggravated in November. On 20 November 1992, the General Council of the SAK rejected the government's proposals and threatened a general strike. The STTK and Akava took similar decisions. The wage-earners' confederations rejected the government's sweeping cuts in social security with a threat to call a general strike.

At the nadir of the economic depression, in spring 1993, the government tried to change the foundations of the Finnish industrial relations model with proposals to change the law. The employers' organizations supported these proposals, which would have removed the minimum protection of wages and working conditions, striking rights and other workers' rights offered to the workers by national collective agreements. The SAK threatened a strike in the export industries and transport on 19 May that were due to escalate into a general strike on 24 May if the government did not withdraw its proposals. The SAK demanded that the government's proposed law reforms reinstate the tripartite negotiations. A strike seemed likely, and production in paper mills was run down in preparation for it.

The Executive Board of the SAK rejected a compromise arrived at by the organization's leaders and the government, which prompted the government to renounce its planned reforms of labour legislation. Most of the proposed cuts in unemployment benefits were withdrawn. In the last stages of the negotiations the

parties formulated a solution that improved the possibilities of the unemployment benefit funds to cope with their responsibilities in a time of mass unemployment. The Executive Board of the SAK passed the decision by eighteen votes to nine. Aho's government and the labour market organizations agreed that the preparation for the work legislation reforms would be done in understanding with the labour market organizations. The labour market organizations jointly agreed about the possibility of paying young workers lower rates than older ones for a limited time.

In autumn 1993, many of the SAK member unions were able to release the political tension related to the work legislation reforms through collective agreements. The collective agreements now provided numerous opportunities for agreeing locally, at a workplace level, on flexible working hours solutions and other forms of flexibility relevant to production. The collective agreements created a framework for local agreements and also offered a solid basis in case local agreements were not reached.

The strong men in the government, the Prime Minister, Esko Aho of the Centre Party, and the Minister of Finance, Iiro Viinanen of the National Coalition Party, were extremely dissatisfied with the compromise. The government suggested in its budget proposals for 1995 that unemployment benefits should still be cut and that the tax deductibility of union dues should be removed. Once again, discussions between the SAK and the government broke down. On 5 September 1994, the SAK threatened widespread strike action. The government gave up its plans, and the SAK withdrew the strike threat on 7 September 1994. The years of recession had united the SAK's affiliated unions in a successful defence action.

Despite the policies of Aho's government and the aggressiveness of the STK, moderate comprehensive incomes policy agreements that underpinned employment and economic growth once again became the order of the day in collective bargaining and agreements. At the beginning of the depression, a two-year comprehensive incomes policy agreement was made which in practice had the effect of lowering real incomes in 1992–1993 due to increases in workers' pension contributions and the taxation of earned income.

The experiences of collective agreements that were made at union level in 1994–1995 were not particularly encouraging from the point of view of promoting economic progress and employment.

In 1995, after the left-wing parties had strengthened their positions in a general election, the Chairman of the Social Democratic Party, Paavo Lipponen, formed a coalition government of the SDP, the Left-Wing Alliance, the Greens, the Swedish People's Party and the National Coalition Party, known as the Rainbow Government. The tripartite cooperation between the government and the labour market organizations was restored, although in the spring of 1996 a dispute between the SAK and the government over savings in unemployment benefits almost led to a general strike. The cooperation focused on solving the banking crisis, the problems of the recession and unemployment. The SAK and the other workers' organizations were prepared to negotiate over, and to accept some deterioration in, the previously agreed benefits.

Rising from the depression

The trade union movement found itself on the defensive due to the recession and the right-wing government. The reforms in corporation and dividend taxation realized by Aho's government increased the growth of capital incomes. Income distribution in society tipped in favour of capital owners to the detriment of wage-earners. Alongside the rapid economic recovery after the recession, income and capital inequality grew during the 1990s and early 2000s. During the two governments of Paavo Lipponen, work legislation underwent broad and significant reforms. The reforms proceeded thanks to the collaboration of labour market organizations. The most important reforms involved the Working Hours Act (1996) and the Employment Contracts Act (2001).

A comprehensive solution on economic, employment and industrial relations policy for the years 1996–1997 proposed by Lipponen's government was agreed in autumn 1995 Further two-year comprehensive incomes policy agreements were made for 1998–1999,

2001–2002, 2002–2004, and 2005–2007. In these, the trade unions succeeded in obtaining improvements in the position and pension security of part-time and short-term workers. On the initiative of the SAK, earnings-related unemployment benefits increased in 2002. The incomes policy agreement for 2005–2007 paved the way for reforms regarding transition assistance and the obligations of the contractor.

Stable industrial relations and limited wage increases helped to speed the Finnish economy into a rapid growth. The number of those in work grew swiftly, but the reduction in overall unemployment was painfully slow in the 1990s. In 2006–2007, employers and the government started talking about a labour shortage. As production grew more international, owners and enterprises have had more success in distribution policies than wage-earners; the relative share of earned incomes of employees of the national product had clearly dropped compared to the 1980s.

High unemployment rates re-sculpted company, workplace and employment relationship structures. This complicated trade union activities on work sites and factories, when, e.g., the outsourcing of security guards, canteens, cleaning or repair and service activities, or the abundant use of subcontractors at building sites fragmented workers to different employers and under various collective agreements. Different temporary and part-time works weakened the sense of belonging and group spirit of workers. Trade unions had difficulty engaging these workers with their activities.

During the years of the recession and since there has been some organizational consolidation within the unions in the SAK. In 1990, the Rubber and Leather Workers' Union and the Glass and Porcelain Workers' Union were amalgamated into the Chemical Workers' Union. In 1993, the Woodworkers' Union and the Rural Workers' Union fused to form the Wood and Allied Workers' Union. In 2000, the Commercial Sector Union, the Hotel and Restaurant Workers' Union, the Real Estate Workers' Union and the Technical and Special Fields Union joined forces to become Service Unions United, the largest union in the SAK in terms of membership. The membership of the new union has grown up to 232,000.

The Trade Union for Public and Welfare Sector (Julkisten ja Hyvinvointialojen Liitto, JHL) was founded in 2005, as the public sector unions joined forces. The Railwayworkers' Union joined JHL in late 2011. With slightly over 231,000 members, JHL was the second largest union in 2014.. The amalgamation of several industry unions failed, when in the end, only the Chemical Workers' Union and the Communications Workers' Union joined the Industrial Union TEAM in early 2010.

The Centre Party, which had been forced into opposition, made one more attempt to challenge the strength of the trade union movement in the general election of 1999. It criticized industrial relations in Finland and proposed a so-called employment reform to solve unemployment and problems at the work place. In this programme, the Centre Party again suggested that labour legislation should be changed so as to weaken the minimum protection afforded by national collective agreements. The programme dismissed the trade unions as forces external to the work place which could be ignored, as conditions of employment were negotiated and agreed locally. The programme also suggested significant changes to the unemployment legislation.

This was unacceptable to the trade union movement, because in Finland, the trade union movement is involved at the work place, in collective bargaining at sector level and in making comprehensive incomes policy agreements at the national level. The workers organized in order to have a say both in everyday matters relating to conditions at their own places of work and work conditions affecting the whole sector. The Centre Party was trying to fragment the united strength of the unionized workers. The SAK, the trade union movement in general and the Centre Party held an exhaustive public debate over the employment reform, and this probably undermined the success of the major opposition party in the general election of 1999.

Foreign Minister Tarja Halonen (SDP) and Esko Aho, President of the Centre Party, were the opposing candidates in the second round of the presidential election in February 2000. The most influential voices felt that the presidential election represented a

contest between the Finnish welfare state defended by Halonen and the crushing of the Finnish industrial relations model proposed by Aho. Tarja Halonen was duly elected President of Finland, the first woman to hold this post.

The SAK came through the recession strong and vigorous. The influence of the trade union movement in society continued to be solid. According to opinion polls, the esteem enjoyed among the people by the trade union movement and particularly the SAK was in 2000 clearly higher than it was in the early 1990s. The total organizational strength of the three workers' confederations is approximately what it was before the slump. However, after the peak of the mid-1990s, membership has fallen.

The persistence of incomes policy

The STK conducted very critical internal discussions regarding comprehensive incomes policy agreements since the early 1980s. The views of the LTK and STK on wage increases often clashed during the boom period. The pressure put on STK by its member companies bottled up in the early 1990s. The depth of the recession, the heterogeneity of the employers' federations and the difference between exports industry and domestic market benefits prevented the STK from pushing through its Satanic Verses. Devaluations restored the competitiveness of the exports industry. A profound change in the labour market system seemed to disappear from the employers' arsenal of strategic goals, as the SDP returned as a government party in 1995 after success in the general elections.

The employers of the private industry were grouped into three confederations in 1990, which for its part hindered unified actions. The employers' side rallied its forces through two organizational fusions. The Union of Industries and Employers (Teollisuuden ja Työnantajain Keskusliitto, TT) launched its activities in 1993. The union was short-lived. It merged together with the Employers of the Service Sector (Palvelutyönantajat), into the Confederation of Finnish Industries (Elinkeinoelämän Keskusliitto, EK) in early 2005.

The Union of Industries and Employers needed the backup of the trade union movement in large social solutions, which tied the employers to incomes policy. The labour market organizations demonstrated their collaborative strength and influence in the solutions regarding the EU (1994), EMU (1997), nuclear power (2002) and pensions (2005). Corporatist collaboration felt as solid a part of the Finnish society as bedrock is a part of Finnish nature.

The publications of the TT and EK emphasized repeatedly that the form of agreement was not the objective, but its contents. They strived for more flexibility, company-level agreement and a broader wage gamut. The criticism towards centralized and national collective agreements and their contents had been going on in the TT and EK, even though company turnovers and profits turned to a strong increase. The target programme of the STK, approved by the private sector employers in 1991, provided an ideological foundation for the education activities of the employers' organizations.

Persistent internal lobbying work from the employers' side finally led to new conclusions. The form of the agreement was the main question, after all. Broad, centralized economic and wage solutions were the butt of constant ideological criticism. By dismantling the capital tax, the Centre and Social Democrat coalition government of Matti Vanhanen (Centre Party) bought some more time for incomes policy for the years 2005–2007.

The Federation of Finnish Technology Industries (Teknologiateollisuus) was the most influential organization of the new employers' confederation. It pushed for company-level agreements, which would strengthen the companies' position in the definition of work conditions. This policy was also adopted by the EK. The EK was prepared to abandon incomes policy agreements, when at the turn of the years 2006–2007, the President of the Federation of Finnish Technology Industries and Vice President of the EK, Antti Herlin, swapped seats in the EK, becoming its President.

In spring 2007, the SAK's boisterous campaign to encourage people to vote in the general elections attracted such ferocious criticism that it was cancelled immediately after its launch. The SDP suffered a defeat in the general elections. In 2007, the right-wing par-

ties formed a coalition government under Matti Vanhanen (Centre Party). In spring 2007, the EK and its member companies decided to end incomes policy. The policy of the employers' organization had switched from pragmatic to ideological.

However, the employers' front was not as united as it seemed from the outside. Collective agreements at union level from 2007–2010 were not encouraging from a company perspective, nor from the view of the national economy. This put the assessments of the pernicious nature of centralized agreements into a new light. The parliamentary elections of 2011 came along with surprises, when the right-wing-populist Basic Finns Party increased its support and that of the Centre Party suffered a dramatic drop. After lengthy negotiations, Jyrki Katainen (National Coalition Party) formed the so-called six-pack government, which was constituted out of the National Coalition Party, the Left Alliance, the Green Party and the Christian Democrats.

The labour market organizations negotiated a broad and comprehensive framework solution for 2011–2013 which provided for labour market peace particularly well. The Metalworkers' Union, the Trade Union Pro from the Finnish Confederation of Professionals STTK and Akava from Federation of Professional and Managerial Staff (Ylemmät Toimihenkilöt, YTN) directed pressure, strike threats and a strike call speeded up revaluation processes in the lead of EK. In autumn 2011, the new lead of the EK viewed the world through a less ideological lens.

The economic development of the world and Finland took a turn for the worse in 2011–2013 than was initially deemed when formulating the framework solution. The future of the Finnish economy was behind a thick, opaque fog, as the banking crisis turned into a Euro crisis, which is hampering economic growth. Mikko Pukkinen, who was the CEO of the EK when the framework solution was negotiated, was fired in late 2012. Despite the subsequent uproar, the employment and economic growth framework that was agreed upon in August 2013 continued the tradition of Finnish centralized labour market solutions.

At the time of writing, the new right-wing government, led by Prime Minister Juha Sipilä (Centre Party), and the trade union movement are deadlocked. According to the government, Finland has fallen 10–15 per cent behind in competitiveness compared to Sweden and Germany. Sipilä's cabinet is therefore demanding a 'productivity leap', which involves a rapid 5 per cent decrease in unit labour costs. The SAK is proposing more moderate and gradual adaptation to the new tougher competitive global environment. Whether the situation will end in conflict or compromise is an open question in the beginning of 2016.

Membership figures

The Finnish Federation of Trade Unions 1907-1930

Year	Total membership
1907	25 197
1908	24 009
1909	19 928
1910	15 995
1911	19 640
1912	20 989
1913	28 031
1914	30 871
1915	31 134
1916	39 814
1917	160 695
1918	-
1919	40 677
1920	59 470
1921	48 589
1922	48 176
1923	48 146
1924	47 312
1925	50 472
1926	62 058
1927	75 846
1928	90 231
1929	70 435

The Confederation of Finnish Trade Unions 1930-1969

Year	Total membership
1930	14 947
1931	19 568
1932	18 930
1933	19 847
1934	27 160
1935	33 883
1936	44 525
1937	64 384
1938	70 348
1939	68 507
1940	66 383
1941	81 360
1942	79 737
1943	86 068
1944	106 015
1945	299 565
1946	311 786
1947	341 583
1948	306 358
1949	248 276
1950	268 777
1951	260 563
1952	242 445
1953	240 087
1954	248 884
1955	269 386
1956	288 803
1957	238 680
1958	238 694
1959	251 160
1960	228 536
1961	230 039
1962	246 883
1963	227 063
1964	233 915
1965	247 983
1966	259 445
1967	276 416
1968	297 928

The Finnish Trade Union Federation 1960-1969

Year	Total membership
1961	60 343
1962	64 872
1963	96 510
1964	103 176
1965	105 445
1966	107 412
1967	106 744
1968	95 166

The Central Organisation of Finnish Trade Unions 1969-

Year	Total membership
1969	566 263
1970	650 233
1971	722 364
1972	794 186
1973	847 347
1974	885 103
1975	920 640
1976	952 090
1977	961 256
1978	980 643
1979	1 002 810
1980	1 028 839
1981	1 039 366
1982	1 040 655
1983	1 041 619
1984	1 051 860
1985	1 055 045
1986	1 066 790
1987	1 065 245
1988	1 092 405
1989	1 088 300
1990	1 071 324
1991	1 086 590
1992	1 112 899
1993	1 136 292
1994	1 119 509
1995	1 111 350
1996	1 107 889
1997	1 100 244
1998	1 083 200
1999	1 073 873
2000	1 070 821
2001	1 068 985
2002	1 062 167
2003	1 052 818
2004	1 043 504
2005	1 045 973
2006	1 043 707
2007	1 046 445
2008	1 047 021
2009	1 042 952
2010	1 039 555
2011	1 036 664
2012	1 038 399
2013	1 027 080
2014	1 008 040

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