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Monitoring model on labour discrimination in the Finnish labour market

Introduction

The basic rights of all human beings are to be treated equally and equitably and to earn their living in their chosen work, occupation or business. Non-discrimination and equality are key factors of high-quality working life. Discrimination also has diverse effects. They may appear in the form of unemployment, poverty or social exclusion and, on the individual level, experiences of discrimination may have a weakening effect on labour market position, career development and occupational well-being, and increase economic inequality. Experiences of discrimination may also deteriorate one's mental, social and material well-being and quality of life.

Although labour discrimination is prohibited by law, it still exists. Labour discrimination and unequal treatment have been studied quite extensively, but the research has been based on different needs and premises. Some of the studies depict the prevalence of discrimination and some have focused more on describing the mechanism of discrimination. In addition, data on labour discrimination are fragmentary and it has been difficult to form an overall picture of the extent of discrimination.

The purpose of this paper is to present the project on building the Finnish monitoring model on labour discrimination, which offers a new way to examine the prevalence of discrimination.

The aim is to construct a monitoring model on labour discrimination and on that basis, prepare a report on labour discrimination. The target is to form an overall image of the prevalence of labour discrimination, provide information for both decision-makers and all people, and increase people's knowledge of this phenomenon. The project is a follow-up study of the Discrimination in the Finnish Labor Market survey (Larja et al. 2012), which examined data concerning labour discrimination and suggested systematic monitoring of labour discrimination. It differs from the previous project in that in this project, gender is included as a ground of discrimination.

Examination and monitoring of labour discrimination is important from the viewpoint of gender equality. Studies show that women both observe and experience discrimination at their workplace more than men (e.g. Quality of Work Life Survey 2013).
Definition of labour discrimination and how to measure it?

In terms of the monitoring model on labour discrimination it was crucial to define first what labour discrimination is, how to study it, and to familiarise oneself with earlier research on the topic.

Discrimination means unequal treatment or being placed in an unequal position without acceptable grounds. Finnish legislation decrees on the prohibited grounds of discrimination in several acts. The prohibited grounds of discrimination are gender, age, ethnic or national origin, nationality, language, religion, conviction, opinion, political activity, trade union activity, family relations, health, disability, sexual orientation or other personal characteristics. In this report, labour discrimination is expressly defined based on these grounds of discrimination prohibited in legislation.

Surveys

Surveys offer information on observed and experienced discrimination or unequal treatment in the workplace but they can also be used to learn about the respondents' views on labour discrimination. Surveys describe the respondents' own experiences and observations of labour discrimination. They can be divided into victim surveys and attitude surveys. Victim surveys examine subjective discrimination experiences and attitude surveys explore the attitudes towards difference and grounds of discrimination.

The topic can be sensitive for many respondents. Interpretations of what unequal treatment is in different situations or on what the experienced inequity has been based on can also vary between respondents and at different times. The respondent is not always able to specify the reason for the discrimination he or she has experienced, as the percentage shares under "Other reason or hard to specify" indicates.

Surveys also involve other challenges like the respondent's memory, interpretations of discrimination, and the ways in which questions are asked. Accessibility is also a challenge for surveys, especially in terms of minorities. Some of the grounds of discrimination are such that the discrimination experiences based on them require that a person belongs to a particular minority (e.g. disability). Surveys do not offer information on all grounds of discrimination prohibited in legislation either. Detailed survey questions and they remaining unchanged in the surveys throughout time are essential for monitoring labour discrimination.

Official data

Generality can also be assessed by viewing the number of communications and complaints to authorities, as well as court decisions. Official data are not designed for measuring the generality of discrimination by grounds of discrimination, and many of the cases of discrimination never become known to authorities (Larja et al. 2012; Jasinkaja-Lahti et al. 2002; Aaltonen et al. 2008, European Commission, 2007; FRA 2009). A majority of experiences of discrimination are left outside these data as all persons that have experienced discrimination or unequal treatment do not take the case forward for
various reasons. Victims of discrimination can, for example, feel that making a complaint would not lead anywhere or they do not know where they can complain. Persons that have experienced unequal treatment do not necessarily recognise discrimination either. The consequences of making a complaint and, for example, the fear of losing one’s job can also prevent persons from making a complaint. Thus, many things affect the exposure of cases, the least of which is by no means trust in the authorities. The results from analysing official data describe the availability of legal protection measures for victims of discrimination and on discrimination cases convicted as illegal in Finland.

Other methods

Discrimination can also be investigated with experimental studies of which only one has thus far been carried out in Finland (Larja et al. 2012). This field study measuring discrimination in the Finnish labour market indicated that a job seeker with Russian background had to send twice as many applications in order to get as many interviews as a job seeker with Finnish background. Labour discrimination can also be investigated with qualitative methods through various interviews and observation.

Official statistics

Official statistics can provide generalised data of several discrimination grounds and allow for cost-efficient comparison since the data are available every year. Information on differences in unemployment rates and salaries can be used as indirect indicators of discrimination. According to an analysis of the Structure of Earnings statistics (Pehkonen 2013), foreign citizens, on average, earn less than Finns in the same jobs. The pay differential between Finnish and foreign citizens cannot be fully explained based on the Structure of Earnings statistics. Some of the differences are explained by personal and enterprise-specific factors, which were not included in the analysis but can also indicate discrimination.

There are, however, limitations in each examination method, and no examination method alone is sufficient to provide a comprehensive picture of labour discrimination as they described the occurrence from different perspectives. Therefore, data that describe labour discrimination as diversely as possible are needed in the monitoring of labour discrimination.

Monitoring model

The development project for the monitoring model started in late 2013 and the report will be published towards the end of 2014. The project is funded by the Ministry of Employment and the Economy, the Ministry of Social Affairs and Health, and the Ministry of the Interior, and it is conducted at Statistics Finland. The project’s steering group consisted of representatives from the above-mentioned ministries, Statistics Finland, labour market organisations, the Office of the Ombudsman for Equality and the Regional Administrative State Agency.
The monitoring model is the basis and tool for regular and systematic monitoring of unequal treatment and labour discrimination. For monitoring, it is important to follow the quantity of discrimination and the groups of people subjected to it over time. The model takes into account the grounds of discrimination prohibited in legislation.

The legislation concerning labour discrimination and previous surveys were examined and data materials suitable for the model were surveyed to form the monitoring model on labour discrimination. Data selected to the model described the prevalence of discrimination or unequal treatment, and they were suitable for the monitoring model as they are repeatable and their quality is sufficient. Some surveys had to be left out from the model due to a low response rate or the lack of repeatability even if the data would offer information on labour discrimination. If, in future, the data are more easily repeatable and the response rate is better, their inclusion in the model can be reconsidered. New data can also be added to the model later if they are considered necessary. Optionally, one-off studies can also be included in future reports.

Different data offer different perspectives for examining the phenomenon. The data comprise official data, such as notifications to authorities and cases in the legal system, and survey data describing people's own experiences and observations. Based on these data, the picture obtained about discrimination and unequal treatment in working life is supplemented with the image derived from register data on unequal treatment in society (such as differences in earnings and employment of different population groups).

The data of the monitoring model also allow examinations of discrimination with multiple grounds. This produces information on discrimination experienced by minority groups based on gender or on gender and age, for example.

The monitoring model was the basis for a report on labour discrimination, where discrimination is viewed according to the grounds of discrimination prohibited in legislation. In the report, the prevalence of labour discrimination in Finland is described by means of official, survey and register data selected to the model by each ground of discrimination. The report also considers the limitations of the data and development suggestions.

Because actual results and conclusions cannot yet be presented in this report, the picture the data selected for this model gives of labour discrimination is presented more generally and not as extensively as in the actual report, and to some extent based on the data of previous surveys.

**Detected and experienced discrimination**

**Quality of Work Life Survey**

The Quality of Work Life Survey can be considered a relatively reliable tool for measuring the experiences of employees in terms of discrimination as well: the sample is large, the response rate is high, the questions have remained virtually unchanged for as long as 15 years, and the survey is conducted with a reliable face-to-face interview method.
With the help of data from the Quality of Work Life Survey, both the discrimination experienced and observed in the workplace can be viewed. In the Quality of Work Life Survey¹, the respondent is first asked by grounds of discrimination whether they have detected discrimination in their workplace. Persons that have detected discrimination are also asked for most grounds whether they have experienced discrimination themselves. In addition, a separate set of questions on discrimination is used to study discrimination situations the respondents may have faced. This provides a more detailed picture of discrimination than merely a cursory question on whether there has been discrimination in the respondent’s workplace, which does not necessarily highlight the existence of different types of problems.

According to preliminary data of the 2013 Quality of Work Life Survey, the observations made by wage and salary earners concerning gender-based discrimination directed at women in Finland have decreased over the past 15 years. Discrimination based on a person having a family or being pregnant also seems to have diminished. Women’s experiences of discrimination have decreased during this millennium, especially in remuneration. Discrimination directed at old age has decreased but, on the other hand, discrimination directed at young age seems to have increased.

Even though favouritism is the most commonly observed ground for discrimination even according to the preliminary data of the 2013 Quality of Work Life Survey, it is not included in the grounds of discrimination in the monitoring model on labour discrimination because it is not a ground of discrimination prohibited in legislation. This is also the case for the second most common ground for discrimination of the Quality of Work Life Survey, i.e. the impermanence of the employment relationship or part-time employment. The third most commonly observed ground for discrimination is health or disability (12%), which was asked for the first time in this form in the 2013 survey.

**Figure 1.** Share of employees that have observed unequal treatment or discrimination at their workplace (%), by grounds for discrimination (Quality of Work Life Survey 2013, Statistics Finland)

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¹The Quality of Work Life Survey has been conducted in Finland since 1977 and labour discrimination questions have been included in the survey since 1997.
The share of women who have experienced gender discrimination themselves (4%) has decreased by one percentage point from the late 1990s (5%). During the entire survey period, a couple of per cent of male employees have personally experienced discrimination directed at men. Around one per cent of the respondents had experienced discrimination based on having a family or being pregnant and as many based on political opinion or participation in trade union activities. Age discrimination based on both young and old age had been experienced by two per cent of wage and salary earners. Age discrimination based on old age seems to have decreased while discrimination based on young age appears to have increased.

The Quality of Work Life Survey also asks about situations in which the respondent has experienced unequal treatment or discrimination in the past five years at his or her current workplace.

These situations are usually connected with receiving information (17 %) and the attitudes of co-workers and supervisors (16 %). People also quite often experience discrimination in being appreciated (14 %). The change has been very low in this regard in the 2000s. By contrast, the discrimination experienced in remuneration has diminished by a couple of percentage points since 2008. This is especially visible for women, among whom the share has decreased from 15 to 12 per cent in ten years. Women report having experienced discrimination more often in all inquired situations than men.

**Figure 2.** Has personally experienced unequal treatment or discrimination in the past five years at the workplace. Share (%) of employees by discrimination situation (Quality of Work Life Survey 2013, Statistics Finland)
In 2013, a new question was added to the Quality of Work Life Survey on whether the respondent belongs to a minority, which enables us to analyse the discrimination experienced by minorities as well. This question offers the opportunity to examine discrimination experienced by wage and salary earners belonging to a minority compared to all wage and salary earners. For example, persons belonging to an ethnic minority have experienced more unequal treatment and discrimination than other wage and salary earners, especially when it comes to being appreciated (21% vs. 14%), accessing training (15% vs. 8%), and possibilities of advancement (18% vs. 8%). They had also experienced somewhat more discrimination in terms of the attitudes of co-workers and supervisors (20% vs. 16%). In other situations (remuneration, distribution of work shifts, receiving information, employee benefits), persons belonging to an ethnic minority do not feel they have experienced discrimination any more often than other employees. The results should, however, only be viewed as indicative, as only 61 persons considered themselves belonging to a minority according to the survey.

The previous study based on the 2008 Quality of Work Life Survey (Viitasalo 2011) provides indications of multiple discrimination, as around 13 percent of women aged over 45 that had experienced age discrimination had also experienced gender discrimination in the workplace.

**Working Life Barometer**

The Working Life Barometer\(^2\) asks whether discrimination or unequal treatment occurs in the respondent’s work organisation based on old/young age, gender (man/woman), temporary employment, part-time employment or that the employee is of foreign origin. The good thing with the Working Life Barometer is that it is repeated annually, which means that it offers a longer

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\(^2\) The Working Life Barometer has been conducted in Finland since 1992.
time frame than, for example, the Quality of Work Life Survey, which is repeated roughly every five years.

The Working Life Barometer provides indications of discrimination but does not alone show the extent of discrimination or, for example, how many persons have experienced discrimination and how often (Larja et al. 2012, 23). Discrimination questions are also hard to answer, which is indicated by the number of DNK responses in particular related to fixed-term and part-time employment and other than Finnish origin.

According to the Working Life Barometer, discrimination towards young people in the workplace is not as commonplace as discrimination towards old people. Seven per cent of the respondents reported that they had observed discrimination in the workplace based on young age and nine per cent based on old age in 2012. Six per cent of the respondents had observed discrimination towards origin and women and only two per cent towards men.

Figure 3. Respondents who had observed discrimination or unequal treatment in the work organisation in 2012, %


**Gender Equality Barometer**

In the Gender Equality Barometer\(^3\) employed respondents are asked whether they have experienced gender disadvantage in their current work in various contexts of work. The barometer offers information on experiences of disadvantage based on gender, but it does not ask about actual discrimination. Figure 4 shows the proportion of persons that have experienced gender disadvantage in their current work in various contexts of work. Male wage and salary earners reported clearly fewer incidents of experiencing gender disadvantage in all contexts of work than women. Men's most common disad-

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\(^3\) Gender Equality Barometers have been made in 1998, 2001, 2004, 2008 and 2012. The barometer examines attitudes, opinions and experiences related to gender equality.
vantage was related to the distribution of the workload (9% of male wage and salary earners). (Kiianmaa 2012.)

Women had experienced most disadvantage in remuneration, where nearly one-third had experienced disadvantage. Around one-quarter had experienced disadvantage in advancing in one's career and in distribution of the workload.

There was only few women who worked in male-dominated workplaces in the data but they experienced most disadvantage (70%) in relative terms and they had experienced disadvantage in more contexts than others. In female-dominated or equally divided workplaces, disadvantage had been experienced by around one-half of women. Men working in female-dominated workplaces had experienced disadvantage more often than other men (30% vs. 15%).

**Figure 4.** Employees who had encountered significant or moderate gender-based disadvantage in their workplace in 2012 in various contexts

There is scant data available on discrimination related to recruitment. The Eurobarometer asks about the respondents' views on factors that hinder recruitment and, on the other hand, on the increasing effect the recession has on labour discrimination by grounds of discrimination. Therefore, the data are well suited for monitoring labour discrimination. The international aspect and comparability are interesting, but comparability in particular is problematic when it comes to discrimination questions. Responding in various countries is affected by both cultural factors and the formulation of questions, as well as translation differences. These should be considered in the comparison if one is made. In the report, the international comparison is
According to the Finnish respondents of the Eurobarometer 2012, the most common ground for being in a weaker position in a job seeking situation is the colour of the skin or the ethnic background of the job seeker if two job seekers had equal skills and qualifications. The share is clearly higher than in the EU countries, on average. Over one-half of the Finnish respondents felt that old age or disability had a weakening effect on job seeking. Disability, sexual orientation, gender identity, the applicants looks and physical appearance were considered a weakening factor in job seeking more often in Finland than in the EU countries, on average. One-half of the respondents considered the appearance of the applicant to be a possible reason to be discriminated against when seeking a job. Nearly one-third of the Finnish respondents felt that sexual orientation could possibly weaken one’s position when applying for work. By contrast, 27 per cent of the respondents felt gender was a weakening factor.

**Figure 5.** Views of the criteria that can place a candidate in a weaker position in a job seeking situation if two applicants have equal skills and qualifications, % (In Finland/the EU when a company wants to hire someone and has the choice between two candidates with equal skills and qualifications, which of the following criteria may, in your opinion, put one candidates at a disadvantage? %)

Source: Eurobarometer 2012, European Commission

**Figure 5.** Finnish respondents’ view of the economic crisis in part increasing discrimination on the labour market based on …, % (Do you think that the economic crisis is contributing to an increase in discrimination on the basis of … in the labour market? %)
Over 60 per cent of the Finnish respondents felt that the economic crisis increased discrimination on the labour market based on old age and ethnic origin. Over one-half of the respondents believed that discrimination based on disability and nearly one-half that discrimination based on gender identity would increase. An increase in gender-based discrimination was not seen as very likely; a little over 36 per cent of the respondents thought that it was likely to increase. Close on one-third of the respondent believed that discrimination based on being aged under 30 would increase.

**Official data**

Official data give a different picture of labour discrimination than those based on experiences, observations or views/opinions. Official data describe communications, complaints and legal cases that have arrived in the legal system. They show how many complaints have been made in the official system by victims of discrimination, how many official discrimination suspicions exist, how many of them have been taken forward, and how many court decisions have been made. Official data are well suited for the monitoring model on labour discrimination because they cover several grounds of discrimination and are comparable over time and regionally.

Examinations of official data concern customer-initiated communications with occupational safety and health authorities; the number of audit reports and preliminary investigation notifications; the number of communications received by the Equality Ombudsman; the number of suspected labour discrimination offences recorded by the police; the number of labour discrimi-

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4 In Finland, the supervision of the discrimination prohibitions of the Employment Contracts Act and the Non-Discrimination Act is the responsibility of the occupational safety and health authorities.
nation offences being processed by the courts, regional administrative courts, the Supreme Administrative Court and the industrial tribunal.

A majority of communications received by the Equality Ombudsman concern suspected discrimination based on pregnancy and family leave. Discrimination situations related to pregnancy often concern recruitment, continuation of fixed-term employment or returning from family leaves. Remuneration discrimination suspicions have also been among the most common topics in statement requests presented to the Equality Ombudsman. However, only a few of the persons who suspect that they have fallen victim to discrimination turn to the authorities.


During 2008 to 2011, a total of 47 labour discrimination cases were processed in courts of appeal. Two of these cases concerned age discrimination, two discrimination on the basis of religion or conviction, one discrimination based on professional activity, and one discrimination based on opinion. Fourteen cases were based on health, 13 on gender, and 12 on ethnic origin. In two of the cases the basis of discrimination was not included in the documents. (Aaltonen et al. 2013.)

The Occupational Safety and Health Divisions (OSHD) at the Regional State Administrative Agencies collect a large amount of data concerning labour discrimination. According to the Southern Finland Occupational Safety and Health Division (SFOSH), 96 (49 %) customer-initiated communications were based on health. By contrast, there were clearly fewer communications received based on gender and ethnic origin and, for example, only one case based on disability.

**Figure 6.** Experienced discrimination grounds in customer-initiated communications reported on to the SFOSHDS in 2013
Register data do not actually describe discrimination but they can, however, be used to describe unequal treatment in society and thus complement the picture received on labour discrimination from other data. The advantage of register data is their objectivity, reliability and comparability. The results can also be generalised to the entire population because the data are based on comprehensive data. An extensive selection of background variables can be combined with the data as well. The monitoring model utilises data on structure of earnings and the employment statistics.

Data from the Population Register have been combined to the structures of earnings data. Pay differentials are viewed by gender, origin, disability and having a family (whether one has children or not). The background variables are age, level of education, type of contractual employment relationship, occupation, industry and region.

According to the Structure of Earnings statistics, the earnings of foreign employees were around 88 per cent of the earnings of Finns in 2011. (Pehkonen 2013.) The average hourly pay for foreign employees was EUR 16.20, while the corresponding pay of Finnish employees was EUR 18.40. When the observables\(^5\) are standardised, the pay differential decreases considerably, however.

Data of the employment statistics are used to examine employment and unemployment shares based on gender, age, level of education and origin. For example, there are clear differences between gender in employment shares but also between persons of foreign and Finnish background. Persons of for-

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5 occupational structure, age, occupation-specific work experience, form of employment, level and field of education, location, industry and sector of workplace
eign background are less often employed or students than persons of Finnish background. Women of foreign background are, in turn, more seldom employed than men of foreign background, but study more often than men. (Pyykkönen & Ruotsalainen 2013.)

**Figure 7.** Employment rates of persons of foreign and Finnish background in 1987 to 2012, %

Source: Employment statistics, Statistics Finland

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**Monitoring of labour discrimination in future**

The monitoring model on labour discrimination contains a suggestion on the future of the monitoring of labour discrimination. The suggestion comments on the monitoring frequency, the use of data and reporting. It is not sensible to carry out extensive monitoring annually for several reasons but, for example, every four to six years as already suggested in the earlier study (Larja et al. 2013). The frequency of monitoring crucially affects the repeatability of the data used in the model. Some of the surveys selected for the model are carried out every three to five years.

The monitoring model is implemented so that repeating is possible in future and the data for different periods are comparable. In future, discrimination can also be viewed more extensively with the help of individual studies (such as experimental studies) even if they are not included in the basic structure of the model. Topicality and social needs should, however, be considered and the basic structure of the model should also be reviewed from time to time.

Statistics Finland is currently carrying out a Survey on work and well-being among persons of foreign origin, which collects information on the labour market situation, ability to work and function, health, possible experiences...
of discrimination, and need for services among people of foreign origin. The study will be completed in 2015, and its results can also be utilised in the monitoring of labour discrimination in future.

References


Appendix 1. Has personally experienced unequal treatment or discrimination in the past five years at the workplace. Share (%) of employees by discrimination situation

<table>
<thead>
<tr>
<th>Discrimination situation</th>
<th>2003</th>
<th>2008</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>In receiving information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>20</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>Men</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>In the attitudes of co-workers and supervisors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>20</td>
<td>21</td>
<td>19</td>
</tr>
<tr>
<td>Men</td>
<td>10</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>In being appreciated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>17</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>Men</td>
<td>11</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>In remuneration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>15</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Men</td>
<td>11</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>In distribution of work shifts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>13</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Men</td>
<td>7</td>
<td>7</td>
<td>7</td>
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<tr>
<td>In accessing training</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Women</td>
<td>10</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Men</td>
<td>6</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>In possibilities of advancement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>9</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Men</td>
<td>6</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>In recruitment, appointment situations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>8</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Men</td>
<td>6</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>In receiving employee benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>6</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Men</td>
<td>4</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Quality of Work Life Surveys 2003, 2008 and 2013, Statistics Finland