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Decade of Equality

Employment, Pay and Gender in Finland in the 1970s¹

Abstract

The article discusses the great increase of female labour market participation in Finland in the 1970s. This had wider consequences for Finnish society. The phenomenon is seen in the context of the modernization of the economy, which turned the country from being largely agricultural in the 1950s to industrial thereafter. Economic growth was rapid after 1967, when the currency was devalued. In the early 1970s, however, there was a shortage of labour, largely due to emigration. This put employees in a strong bargaining position and a tradition of short successful strikes developed. Especially in 1971 and 1973 a very high number of working days was lost due to industrial conflict, while the incidence of such conflicts rose until 1976. But economic growth continued, and women joined the labour force with the support of both the Employers’ Confederation STK and the Trade Union Confederation SAK. A raft of employment legislation facilitated this development, such as the day care law of 1972 and increased maternal leave in 1974. The number of female trade union members increased dramatically. The article concludes that the 1970s were indeed a decade of equality.

This article is a compressed version of some essential findings of my monograph about the Finnish Confederation of Trade Unions (Suomen Ammattiliittojen Keskusjärjestö, SAK) during the tumultuous decade after 1970.² Earlier historical research has focused much attention on Soviet and Communist influences on Finnish politics. Interpretations of industrial relations developments and especially strikes have thus been quite political, underlining the power struggle between Communists and Social Democrats in the trade

¹ I am grateful for the encouragement, comments and criticism of the editor David Redvaldsen. I am indebted to Senior Lecturer Mary Hilson, who helped substantially with language and with the argument.

union movement. In some analyses of the long and important metalworkers’ strike in 1971 the role of employers and their organisations has been sidelined.

These interpretations have undermined and bypassed the dynamics of the labour market and the economic and social logic of industrial relations. This article takes an opposite perspective. Instead of political squabbles and activities and the bombastic declamations of drunken Soviet ambassadors, the main focus is on the great social changes which occurred during this decade. The mass emigration to Sweden, the rush of women into paid employment and industrial unrest are all part of the same picture. In explaining major changes in the Finnish labour market and industrial relations, I am therefore looking not to the east but to the west.

In this paper the focus is on the increase in female employment in Finland and the start of the slow erosion of male employment. First there is some contextual information about Finnish society and developments in the labour market. I then take a closer look at the employment statistics of the 1970s from a gender perspective. Finally I discuss how the growth of female employment changed social arrangements in Finnish society. I argue that only after women entered the labour market in significant numbers were public policies adapted to the fact of high female employment participation rates.

Rapid Structural Change and Intensification of Industrial Conflict

Finnish society experienced a rapid and turbulent transformation in the 1960s. In the 1950s Finland was still a very agrarian society, but during this tumultuous decade people began to move to new areas, new occupations and even to new countries. They started to travel by car, watch television, digest new information and adopt new values. The Finnish countryside lost its population to towns and to other countries. There was a rapid erosion of the hegemony of rural values and of the dominance of agricultural and forestry employment. Finland jumped from being a predominantly rural society through
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The rapid growth of the private and public service sectors buttressed female employment (see Chart 1).

The structural change was not smooth or balanced. SAK heavily criticised the economic, industrial, employment, tax and trade policies of various governments. The state was very poorly prepared for the technological and logistical changes in agriculture and forestry, which led to a sudden decrease in demand for labour in these sectors. When the demand for labour did not increase quickly enough in other sectors of the rural economy, the main solution to this new rural underemployment and unemployment was migration to southern parts of Finland, to Sweden or to other foreign countries. These population movements were so enormous that the population of Finland even diminished in the late 1960s (see Chart 2).

Economic growth was very strong after the devaluation of the Finnish markka (FIM) in 1967. Over a few years circumstances in the labour market changed to the other extreme. Underemployment disappeared and the managing director of the Confederation of Finnish Employers (Suomen Työnantajain Keskusliitto, STK) Timo Laatunen thought in 1974 that excess demand for labour would prevail in the foreseeable future. Due to the mass emigration of the 1960s, labour had strong bargaining power at both

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Chart 1: Structure of Employment in Finland 1920–2000

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6 Bergholm: Kohti tasa-arvoa, pp. 89–93.
Chart 2: Emigration from Finland 1960–1980

Chart 3: Industrial Conflict in Finland 1970–1980
local and national levels. The demand for new labour helped women to get better access to the job market.

The employers could not prevent wage drift during the years of labour scarcity. The tradition of the short successful strikes developed gradually in Finland. Employers tried to contain labour militancy, enduring a long strike in the metal industry in 1971 and challenging the building workers’ union with two lockouts (1971 and 1973), but ultimately they could not achieve what they wanted. Finland reached the top of the league in international strike statistics, measured in terms of working days lost compared to the size of the labour force. In the early 1970s there were some years when West Germany (Bundesrepublik Deutschland) had about the same number of working days lost due to industrial conflict as Finland, even though the population and workforce of Finland was about one tenth of that of West Germany10 (see Chart 3).

Rapid Increase of Female Employment and Gradual Erosion of Male Employment

The decline of industrial labour and the unemployment crisis in the 1970s have been discussed in many fields of research. Andre Gorz argued that the working class was disappearing due to technological, educational and occupational change. Jeremy Rifkin predicted in 1990s the end of work (paid labour), without any solid data.11 Some prominent social historians, like Jürgen Kocka, subscribed to the idea of the crisis of the work

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society. This school of social sciences argues, that the very foundations of society were shaking due to an erosion in paid labour.\(^\text{12}\)

However, this approach to structural changes in paid employment looks only at the fate of men in the labour market in modern industrialised countries. Actually the number of people in paid employment did not diminish in the 1970s. Colin Crouch has underlined the fact that women saved the work society of the industrialised world, when they entered paid employment in large numbers in many countries of the Organisation for Economic Co-operation and Development (OECD). Other researchers also argue that the working class did not disappear, but instead became more feminine after the 1960s.\(^\text{13}\) The change in the gender structure of employment was rapid in all OECD countries in the 1970s, compared to earlier and later decades.\(^\text{14}\)

It is hardly surprising that male researchers in social sciences and in history have often been gender blind and uninterested in the plight of women. But it is more interesting to discover that vital changes in the gender relations of working life have not been the focus of women’s and gender studies either. Even distinguished scholars like Raija Julkunen, Liisa Rantalaiho and Sylvia Walby, who have carried out thorough research and meticulous analyses of gender relations in working life, have evaluated this transformational shift mainly from a female perspective. They think that the change has been incomplete and multi-faceted for women. In her book *Gender Transformations* Sylvia Walby looks in detail at the prevalence of lower wages and part-time work among women in the United Kingdom, but she does not discuss in detail the persistent decline in male employment in the UK. Actually many feminist scholars are nearly as gender blind as their male colleagues when they analyse the divergent trends in male and female employment in industrial societies.\(^\text{15}\)


\(^{14}\) OECD Employment and Labour Market Statistics.

The leap from the male breadwinner society to the dual-earner model was very rapid in Finland and it happened simultaneously with the rise of service industries. Swift structural changes in employment, mass emigration of labour in the late 1960s and rapid economic growth in the early 1970s enhanced the path of women to paid labour. In Finland the crisis of male underemployment was greater and happened earlier than in many other European countries. In the official employment statistics the depth of the crisis is not visible, because so many men disappeared from national statistics when they left the country for good.\(^\text{16}\) Among those men who stayed in Finland the erosion of the employment participation rate was slow during the 1970s (see Charts 4, 6 and 7).

The female employment rate was substantially below male employment in the year 1970. In all age cohorts it was below 66 per cent. These figures suggest that parental responsibilities did not substantially change women’s participation in paid labour. Female employment was highest in the most fertile years (age 22–46) and it was always above 60 per cent. One reason for the flatness of the female employment participation curve was that women in paid labour had short maternity leave until the mid-1970s.\(^\text{17}\)

*Chart 4: Employment by Age Cohort 1970.*

\(^{16}\) See Puoskari.

\(^{17}\) Bergholm: Kohti tasa-arvoa, p. 352.
Male employment was still quite high in the year 1970. For men between the ages of 22 and 57 the employment rate was over 70 per cent, peaking at over 90 per cent for the age cohort 28–40 years. In 1970 the difference between male and female employment was high: ranging from 25.2 to 30.6 per cent in the age cohort 28–64. The Finnish gender employment gap was biggest in the older population. Roughly estimated only one quarter of women in the age group 60–64 were in employment, while over 55 per cent of men in the same age group were still in paid employment.

Chart 5 below shows female employment by age cohort and gives an overview of the rush of Finnish women to the labour market. Participation rates rose dramatically in two five-year periods. During the first period the rise was bigger, but even though economic conditions worsened during the second five-year period the female employment rate increased substantially. Labour scarcity was so bad between the years 1970–1975 that the female employment rate grew by over ten per cent in the age group 32–50. In the later period the growth was above ten percentage points only in age cohorts 47–52.

Middle-aged women were the main winners in this development. In the age group 41–50 the employment rate increased by about 20 percentage points. It was significant also in the age cohorts 28–40 and 51–57. This rapid increase of female employment changed everyday life for men, women, children, families and society. Working life was never the same again in Finland. Women had entered the labour market with great staying power.

The changes in the participation rates of women and men occurred in different age groups. Women’s employment increased in almost all age groups, but the employment growth of middle-aged women was greater than for other ages. The downward trend of male employment also had the same shape. The decline in the employment rate of middle-aged men was minimal, but male employment decreased among young and old age cohorts (see Chart 6).

There were obvious reasons for the rapid decline of the employment rate among men aged over 55 years. Farmers got special early retirement opportunities due to the structural changes in agriculture. Many men had fought in the Second World War and were thus entitled to early retirement. The war veterans also received sickness, disability and invalid pensions and left employment before the age of 65.

Researchers have often been blind to the simultaneous developments in the different directions in women’s and men’s employment rates, failing to recognise either the increase in the female labour force, or the early erosion of male employment. In the Finnish case it is obvious that the combined effect of these divergent trends was transformational. In only one decade Finland became a truly dual-earner society.

If we look at charts picturing the gendered employment rates in the years 1970 and 1980, this huge change becomes crystal clear (see Charts 4 and 7). Previous male employment rates that were 25–30 per cent points above female employment rates were just faint memories by 1980. Only in the age groups 28–32 years and 60–64 years was the male employment rate still over ten percentage points higher than the female employment
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Chart 5: Female Employment by Age Cohort

Chart 6: Female Employment by Age Cohort
rate. Even in these age cohorts the gap had diminished substantially. The biggest difference between male and female participation in paid labour was in the age cohort 61: in 1980 it was only 13.4 percentage points.

Participation in paid labour has many meanings and impacts on the personal and social life of men and women. Work is a way to make ends meet, to earn one’s own money, to gain the possibility of self-fulfilment, of following a vocation, of gaining economic independence and achieving respectability among fellow workers and other people. Gender relations in Finland changed promptly and fundamentally. Fewer and fewer women were dependent on their husband’s income, and more and more families became dependent on the wife’s earnings.

Old solutions, arrangements and cultural norms collided with new economic and social realities of working and personal life. The rapid transition created new problems, tensions and political conflicts. The government, political parties, women’s organisations and families alike tried to adapt to this change and to transform existing arrangements and institutions to adjust to larger female participation in working life. The labour market parties – organisations of employers and employees – were active participants in this process.

The politics of wage-worker motherhood

Finnish feminist sociologists have earlier argued that the turning point in Finnish gender relations was in the 1960s. This a little bit odd from a labour market perspective, because female employment decreased until the year 1969. Raija Julkunen in particular has underlined the mental and cultural breach in the 1960s. It could be the case that the last
years of the housewife society and the fundamental blow to its ideological foundations occurred simultaneously. Julkunen makes the point that the Committee researching the position of women in society noted the new ideal and norm of the wage-worker mother citizen\(^{18}\) in a report published in 1970.\(^{19}\) According to her, the political breakthrough of this new norm occurred when the Finnish Parliament enacted a law on day care in 1972. This was codified in Finnish law after receiving the President’s approval on 19 January 1973.\(^{20}\)

In later publications, Raija Julkunen has developed a more multifaceted interpretation of the transition period of Finnish gender relations. She considers several reforms from the 1970s as important steps in the making of more independent women and less privileged men. These include: the legalisation of abortion in 1970, the public health-care reform and birth-control counselling connected to this reform in 1972, the day-care law in 1972, longer paid maternal leave in 1974, separate taxation for married couples in 1976, short paid paternal leave in 1977 and change of the maternal insurance system to parental insurance system for both mother and father. To her list one should add the relaxation of restraints on female entry into the civil service and state employment in 1974 and their abolition in 1975.\(^{21}\)

It is easy to support the idea that the committee researching the position of women in society was important in opening up better entry to paid employment for Finnish women. The above-mentioned reforms got their stimulus and impetus from this committee. In November 1970 a new committee on day-care reform was established by the government. This committee proposed new economic support for parents so that they could buy child-care services from the market as they saw fit. Abstaining members were disappointed, arguing that there was already financial support for families with children. They were in favour of new services and against additional transfer systems. Some argued from another angle, proposing public funds for an official “mother’s salary” for housewives with children.\(^{22}\)

SAK demanded more organised day care from municipalities, making the point that parents in paid employment did not need additional money but proper care for their


\(^{19}\) Naisten asemaa tutkivan komitean mietintö, KM 1970: A 8, Helsinki 1970.


\(^{21}\) Julkunen: Sukupuolen, pp. 91–92.

\(^{22}\) Lasten päivähoitokomitean mietintö, Komiteanmietintö 1971: A 20, Helsinki 1971; Bergholm: Kohti tasa-arvoa, pp. 31–32.
children while they were at work. The main problem was that the parents of 150,000 children were working, but local authorities and other institutions had only 33,000 places in crèches and kindergartens. Uncontrolled or occasional care was the second option when organised child care was not available. Actually many children under seven years were alone at home, in the yards or the streets, while their parents were away. SAK demanded a new law to secure better care for children during the working hours of parents.

The idea of new financial support for families and wages for housewives were sidelined in the political process. The Social Democratic minority government proposed a law making it the responsibility of local authorities to organise quality day-care services for those children who needed it. Parliament passed the law after several votes. The new child-care law could not secure enough new child-care facilities, since mothers rapidly joined the Finnish labour markets in great numbers. There was a severe scarcity of buildings, personnel and money in child care.23

Together with other trade union confederations and employer confederations, SAK made demands, petitions, official statements and declarations to push for more day care. The class co-operation was genuine. Employers needed not only male but also female workers. Trade unions were demanding proper care for their members’ children. This class collaboration eased the abolition of joint taxation for married couples. The united front of trade unions and employer organisations pushed through separate taxation, despite the fierce resistance of the minister of finance. The common demands of the labour market organisations were incorporated in the revisions of the second year of a two-year incomes policy agreement.24

There is the question of the chicken and the egg. Did the political choices of the state, expressed through governmental reforms, enhance female employment or did the headstrong intrusion of women into the job market force society and state to adapt to new realities? The development of Finnish society was so rapid that this question might seem irrelevant. Nevertheless, it is quite obvious that the Finnish society and state was very poorly prepared for the rise of working mothers. Adjustment to new social realities was difficult and was postponed into the mid and late 1970s. Without the determination of the labour market “conflict partners”, some reforms supporting female participation could have been postponed even further until the 1980s.

23 Ibid., pp. 32–34.
24 Ibid., pp. 34–36.
The SAK Trade Unions, Women and the Diminishing Pay Gap

In the middle of the structural changes in Finnish society in the 1960s, industrial relations moved towards comprehensive incomes policy agreements and SAK became unified. The trade union movement had a crucial influence on the fact that society did not abandon those who had lost their occupations in the social upheaval. The change in the structure of the economy and the policy of wage solidarity advocated by SAK ensured that the distribution of income rapidly became more evenly spread at the end of the 1960s and the beginning of the 1970s.25

In terms of income distribution, Finland quickly became one of the most egalitarian countries in the world. A decrease in political discrimination, the consolidation of the position of shop stewards, the creation of unemployment benefit funds by the trade unions and the direct deduction of union dues by the employers all helped to launch SAK, and the whole Finnish trade union movement, into a phase of record-breaking organisational growth. In the 1970s, the poor, unstable trade unions that had employed only a few individuals became important social institutions.26

There was a surge in membership growth in the unions affiliated to SAK after its unification with the rival trade union confederation SAJ (Suomen Ammattijärjestö) in 1969.

Chart 8: Male and female members in SAK 1969–1980

This tidal wave of new members joining the trade unions in SAK and the other confederations moved Finland from the bottom of the league of trade union membership rates to the same level as the other Nordic countries. For example, in Austria, Germany and the United Kingdom, there was a decline in unionism when women started to seek employment and the number of jobs in the service sector grew. In Finland the pattern was different. The spiralling growth of trade unionism in work places and society as a whole, enabled by the unification of the movement and comprehensive incomes policy agreements, also attracted the workers of sectors where the work force was mainly female into the trade unions.

The male membership of SAK-affiliated unions increased in the years 1969–1980 from 395,904 to 590,460. The increase in male membership was 49 per cent. But the rush of women into SAK trade unions was even bigger during the same period: from 170,359 to 438,379, an increase of 157 per cent in twelve years. The proportion of women in SAK-affiliated unions grew from 30 per cent in 1969 to 42.6 per cent in 1980. The breakthrough of SAK in the 1970s depended more on women than men (see Chart 8).

The increase in female membership occurred in many sectors and member trade unions of SAK. In some affiliated unions, such as the municipal civil servants’ union and the printing union, women became the majority of members. The increase in membership was rapid in both female and male-dominated sectors. For example, in the Metal Workers’ Union the female membership increased about 100 per cent (see Table 1: Affiliated unions of SAK with over 10,000 female members in 1980).

Trade unions gained women members in their ranks, but the women did not become equal partners in the power structures of the Finnish trade union movement. The increase in female trade union membership did not change the male dominance of SAK trade

Table 1: SAK-affiliated Unions with over 10,000 Female Members in 1980

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<tbody>
<tr>
<td>Municipal</td>
<td>32,518</td>
<td>32,294</td>
<td>52,780</td>
<td>93,340</td>
</tr>
<tr>
<td>Commerce</td>
<td>13,812</td>
<td>26,573</td>
<td>19,780</td>
<td>74,409</td>
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<tr>
<td>Textile industry</td>
<td>3,497</td>
<td>30,506</td>
<td>4,143</td>
<td>43,959</td>
</tr>
<tr>
<td>State</td>
<td>51,222</td>
<td>11,214</td>
<td>74,901</td>
<td>36,678</td>
</tr>
<tr>
<td>Hotel and restaurant</td>
<td>1,777</td>
<td>13,424</td>
<td>5,930</td>
<td>36,588</td>
</tr>
<tr>
<td>Metal industry</td>
<td>90,406</td>
<td>15,208</td>
<td>125,002</td>
<td>32,212</td>
</tr>
<tr>
<td>Food industry</td>
<td>10,580</td>
<td>15,872</td>
<td>14,899</td>
<td>24,104</td>
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<tr>
<td>Wood industry</td>
<td>27,441</td>
<td>14,521</td>
<td>34,246</td>
<td>15,330</td>
</tr>
<tr>
<td>Paper industry</td>
<td>30,541</td>
<td>9,856</td>
<td>38,398</td>
<td>13,434</td>
</tr>
<tr>
<td>Printing</td>
<td>9,840</td>
<td>6,974</td>
<td>12,707</td>
<td>13,341</td>
</tr>
<tr>
<td>Rubber and leather in.</td>
<td>4,992</td>
<td>8,322</td>
<td>5,150</td>
<td>10,350</td>
</tr>
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</table>
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Women organised separate women’s sections in trade union branches, federations and in SAK, because they were sidelined from the corridors of power in the Finnish trade union movement in the 1970s. From Karl Marx’s times to the present day, trade unionists, theorists and economists have argued that an increase in the labour supply – women, children or immigrants – could create a downward wage spiral. An aim of early trade unions therefore was to exclude child and female labour from paid employment, either totally or from certain sectors. Female participation in paid employment grew suddenly in Finland, but there is no evidence that this development made the labour market more favourable for employers. On the contrary, SAK pushed through a solidaristic wage policy in the incomes policy agreements which favoured workers at the lower end of the wage scale and also women. In the years 1976 and 1977 some trade unions, which had a majority of female members, were willing and able to get substantial increases in wages through collective bargaining, even if they had to resort to industrial action on a national scale. The wage gap between women and men diminished in all sectors and also in general, even though the new supply of female labour escalated during the 1970s. The decrease in the wage gap was slow but the trend was clear (see Charts 9 and 10).

The tensions between women and men in society or in working life did not disappear at once. The wage gap was still large at the end of the decade and the trade unions were still dominated by men. The employment rate for men continued to be higher than

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27 Ibid., pp. 36–39.
28 Ibid., pp. 448–457, 494–504.
the female participation rate in paid employment. On the other hand, developments towards a more balanced power structure and economic opportunities in society and working life started in the 1970s. And this change was very swift: it happened in many fields and it had enduring consequences. It is fair, therefore, to declare the 1970s as the decade of equality in Finnish social history.

**Tapio Bergholm** is senior researcher at SAK and teaches at the University of Helsinki and the University of Eastern Finland. His research interests are the history of industrial relations and transport history, especially seaports. A three-volume history of the Confederation of Finnish Trade Unions (SAK) covering the years 1944–1977 (2005, 2007 and 2012) was his most recent research project. He is the president of the Finnish Maritime History Association.

*Chart 10: Female Wages as a Proportion of Male Wages in the Manufacturing Sector 1968–1980*