WAGE-UP

Minimum Wage & Collective Bargaining in Finland 2026

Finland

Statutory Minimum Wage ✕

- Gender pay gap 16.80%

89.00%

- Collective bargaining coverage

- Process of transposition:
  Assessment of current situation completed by the Government: no further legislative actions required.
  Transposed

Compare with other countries

Latest update on April 2026

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Minimum wage regime in Finland

In Finland, minimum wages are set exclusively by sectoral collective agreements. Wage determination has been left to collective bargaining. In the Employment Contracts Act, there is only a general mention of wages, which must be 'customary' and 'reasonable'. Collective agreements provide extensive coverage, standing at 89% in 2021. If there is no collective agreement extended to the whole sector, wage recommendations set by labour market parties (trade unions and employers' associations) might be used as a basis for an appropriate wage in the sector. The Labour Inspectorate monitors the fulfilment of minimum wage standards, as well as other labour conditions. The industrial relations parties have maintained their bargaining autonomy and there is no indication that either of them will withdraw from the system of nationally collectively agreed wages.

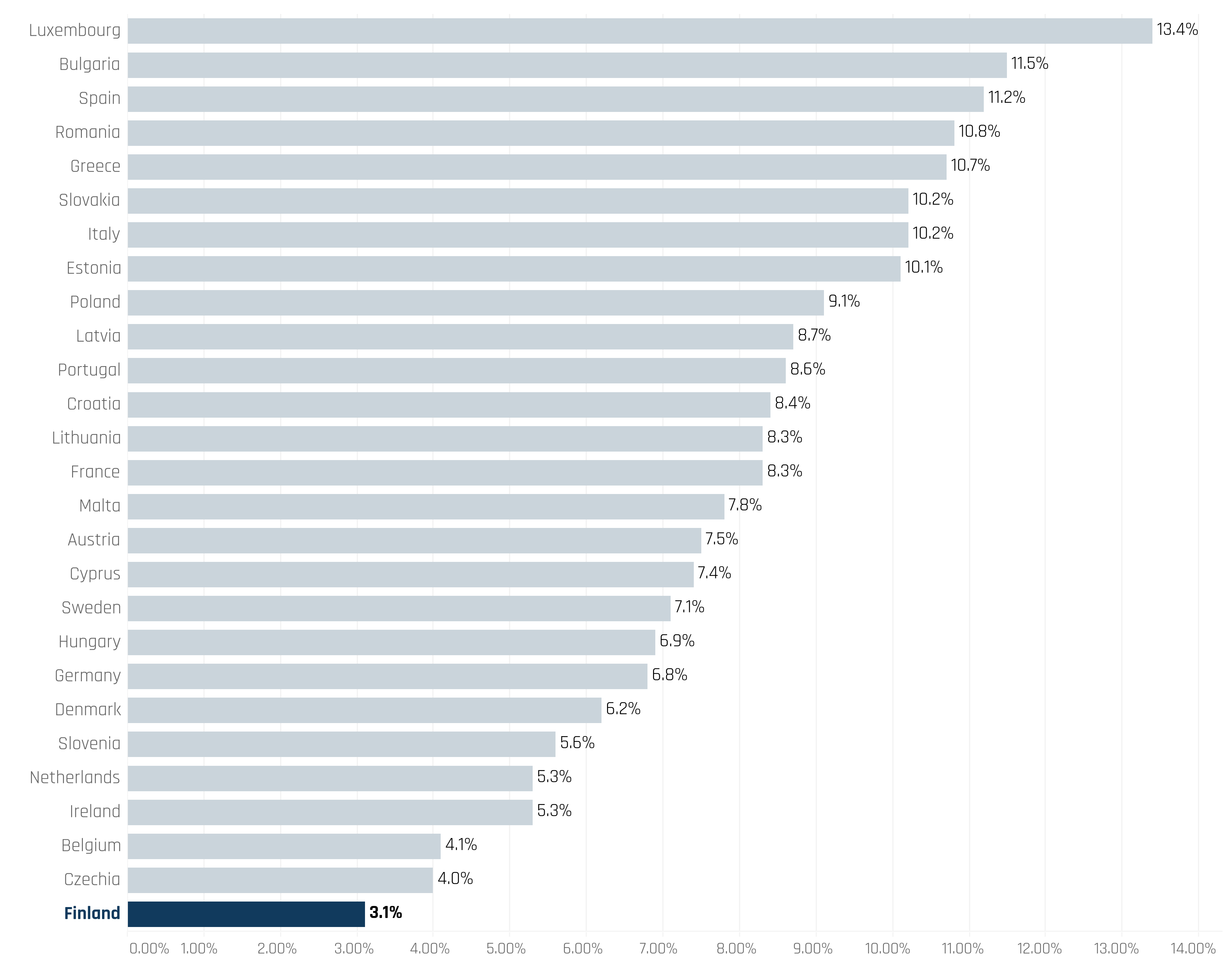
In contrast to Denmark and Sweden, most sectoral wage agreements in Finland are extended to cover all employers in the sector. The term 'generally binding' (yleissitova) is used as a legal term in relation to this arrangement, in contrast to 'normally binding' collective agreements in Denmark and Sweden, where the agreements normally concern only the employers that are signatories.

Collective agreements that set the minimum level of wages are typically concluded at one to three year intervals. Negotiations on a new agreement are started before the expiry of the previous agreement. Although centralised, solidaristic wage bargaining (prevailing from the 1970s to the 2000s) is not in use any more, the current 'export' bargaining model, tightly coordinated by employers' associations, has ensured that the export sectors (technology, chemicals) set the norm for wage increases in other sectors.

A new law that came into force at the beginning of 2025 stipulates that the national conciliator cannot make a wage proposal for non-export sectors that exceed the wage increase in the export sectors. Collective agreements do not include exceptions or deviations from the minimum wage. Because of the bargaining autonomy of the labour market parties, no criteria for adjustment and setting of minimum wages are set from above, that is, by the government.

Dissolution of centralised bargaining and cessation of solidaristic labour market policies have not triggered a race-to-the-bottom spiral for wages because the proportion of working poor in Finland is still remarkably low. The low-paid segment of the labour market has remained relatively unchanged; low-wage sectors tend to be dominated by female and migrant labour. According to Statistics Finland's wage structure statistics, the lowest average hourly wages in 2024 were among street food salespersons (at €11.40), crop/farm labourers (between €11.80 and €12), street/stall and market salespersons (€12.80), and domestic cleaners and helpers (€13). These groups of workers differ from the reported lowest wage categories in collective agreements. For example, in the 2024 report on Finnish government obligations imposed by the EMWD, the hourly wage in the shoe and leather industry was €9.44 (the corresponding monthly wage being €1,642) and agricultural/horticultural wages were €9.72 (monthly wage €1,691) in 2023. These wages were therefore around 50% of the median monthly wage, which was approximately €3,200 that year.

In-work poverty rate (%) per Country



In-work poverty rate
3.10%

Income inequality (income quintile share Ratio S80/S20)
3.90

Collective Bargaining system in Finland

The foundations of collective bargaining in Finland were laid in the Collective Agreement Act (Työehtosopimuslaki) in 1946. There have been several amendments to it, the latest in 2024. A collective agreement can be concluded between a single employer or employers' association and a registered employee organisation. At the local level, negotiations are carried out normally between the employer and a trade union shop steward, but in the absence of a shop steward an employee trustee (luottamusvaltuutettu) may represent the workforce.

Trade union density has declined since its peak in 1994, when it was 78%, to stand at 59% in 2021. However, collective bargaining coverage has been relatively stable at over 80% since the 1980s. The rare occupations not covered by collective agreements include private-sector professional groups such as accountants, fitness centre workers, beauticians/cosmetologists, commercial work and veterinary clinics.

The main reason for the high coverage is the long legacy of the legal extension of sectoral collective agreements. This means that there is a legally binding procedure that enables an agreement concluded between an employers' federation and a trade union federation to be extended to cover all workers in the sector. A special body at the Ministry of Social and Health Affairs, the Extension Committee (yleissitovuuden vahvistamislautakunta), has the authority to proclaim the agreement universally binding. The criterion for proclamation of the agreement as universally binding is that around a half of the employees in the sector work for organised employers.

It remains to be seen whether the 2024 amendments to the Collective Agreement Act, giving a complementary role to employee trustees alongside trade union shop stewards, together with employer associations' efforts to further decentralise collective bargaining, will reduce collective bargaining coverage. At least strong unions (for example, in manufacturing) have reported maintaining high coverage in the face of decentralisation.

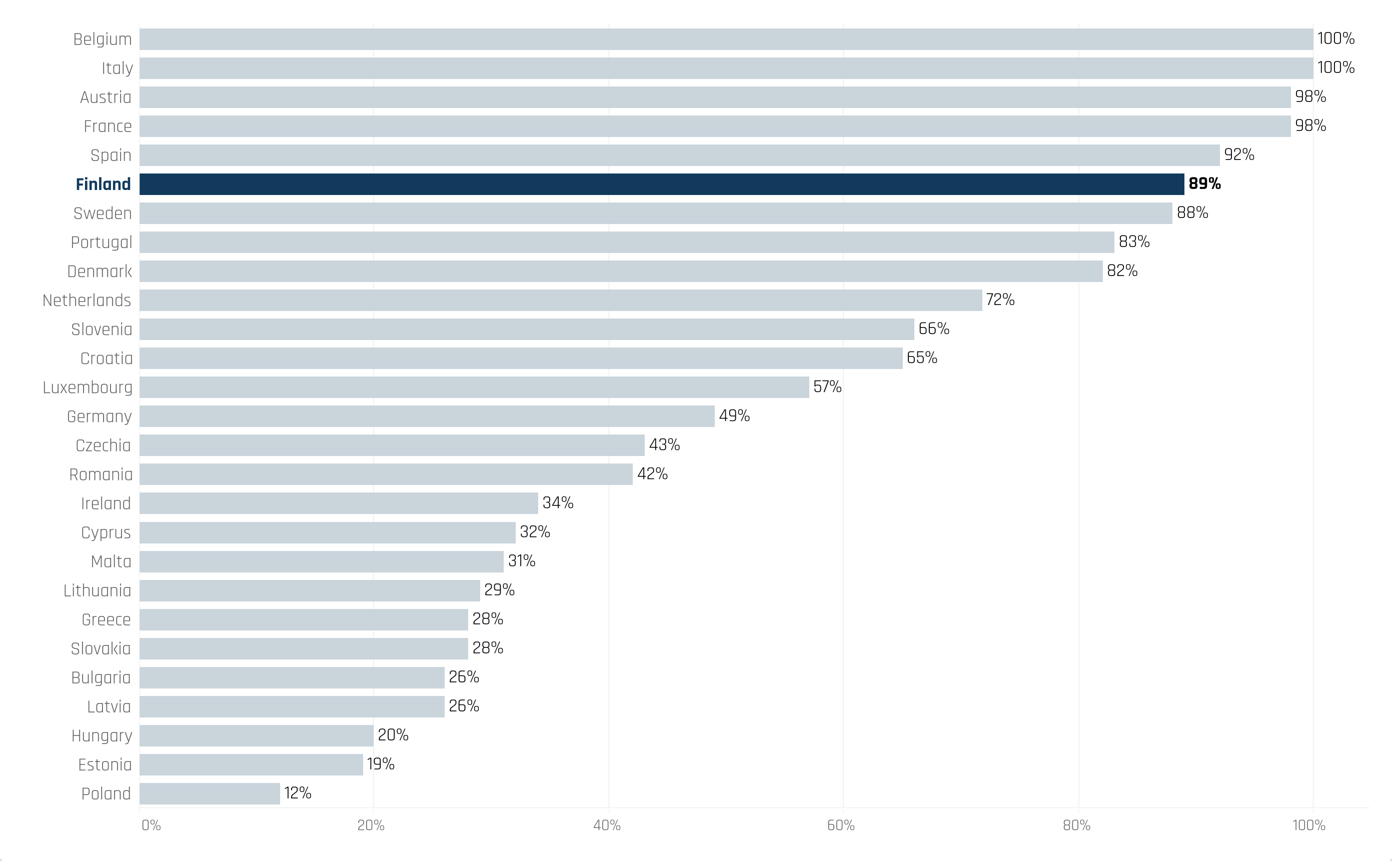
In Finland, there is a so-called 'after-effect' (jälkivaikutus) of the collective agreement, implying that the conditions of the agreement remain valid after expiry until a new agreement has come into force. Typically, 'non-agreement' periods have been short. During such a period, there is no obligation for industrial peace, which means that strikes can be conducted. Also, the collective agreement itself can include clauses on the status of the agreement concerning the 'non-agreement' time. There is no legislation in Finland concerning 'after-effect', which is based on a general norm.

All employee groups and sectors have the right to negotiate and be covered by collective agreements. In the case of food couriers, they had no right to negotiate a collective agreement until 2023, when the European Commission invested self-employed platform workers with collective negotiation rights.

There are no particular collective bargaining clauses for public procurement.

There is no special legislation that allows union officials access to workplaces. In practice such access is allowed for most employers because large and medium-sized firms are typically organised where cooperation between unions and employers functions normally.

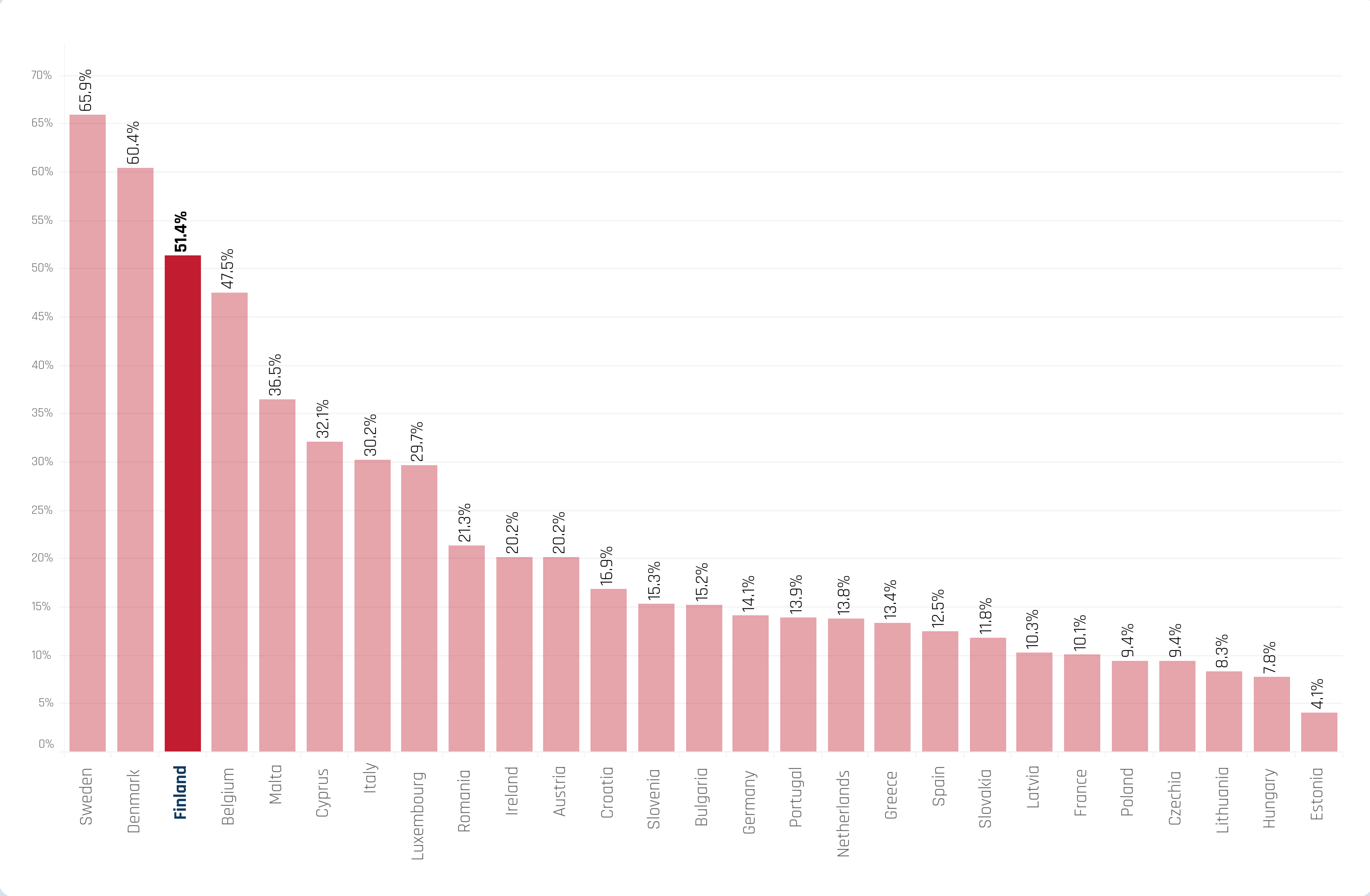
Collective Bargaining Coverage per Country (%)



Collective Bargaining Coverage	Trade Union Density
89.00%	51.40%

Collective bargaining clauses in Public Procurement	Valididy of Collective Agreeements after expirations?
No clauses	Yes

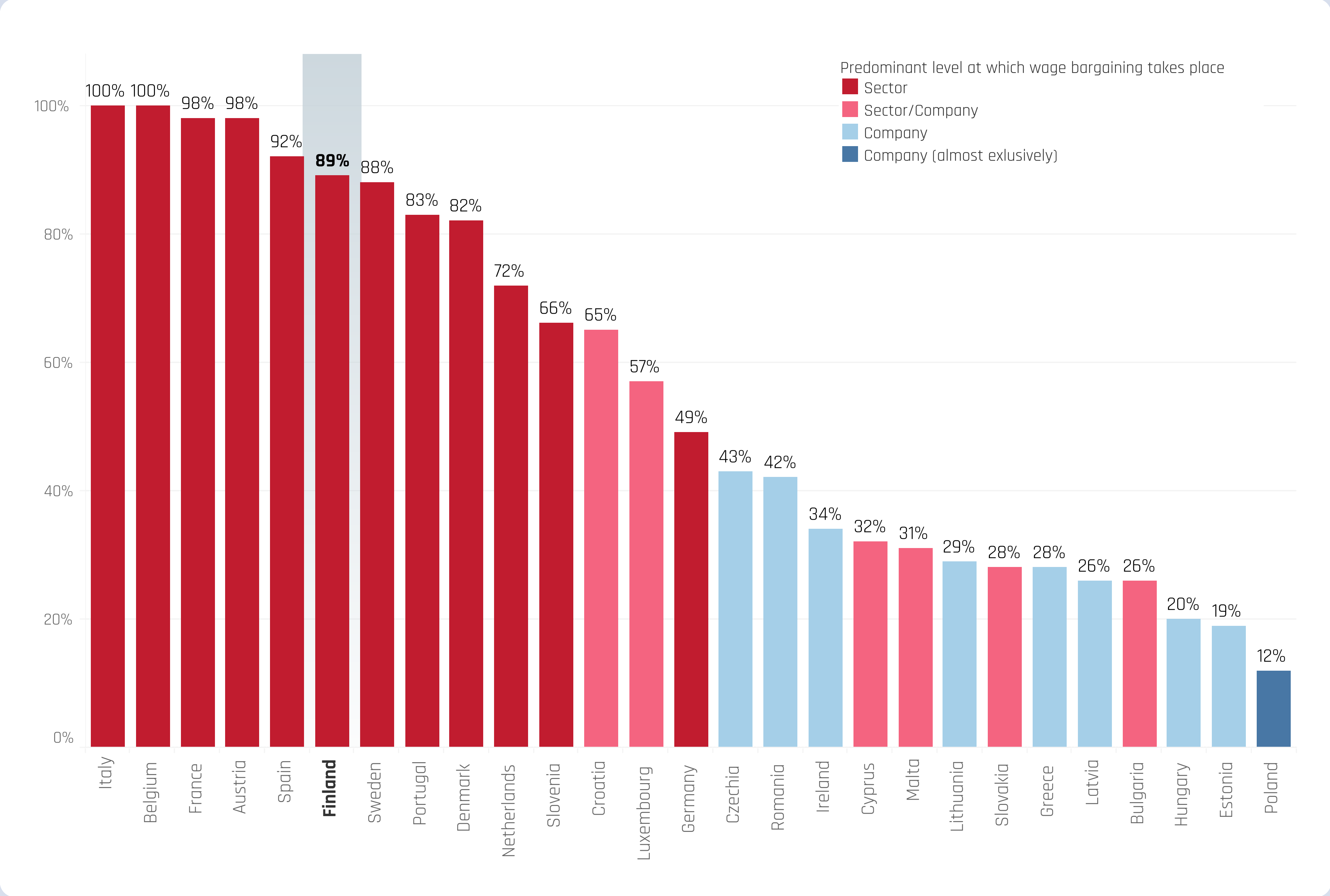
CB Trade Union Density (%) for each Country



Collective Bargaining system in Finland

In Finland, trade union shop stewards are subject to special protection against dismissal; their dismissal procedure is more difficult than for other workers, the criteria for dismissal are tighter, and the fine for inappropriate dismissal is higher. There is no obligation on the side of employers to engage in collective bargaining. Nevertheless, unorganised employers also have to obey the clauses of a sectoral agreement if it has been extended to cover all employers in the sector. Employers might have a strong incentive to engage in local bargaining because in that way they are allowed exemptions from nationally concluded collective agreements.

CB Predominant level at which wage bargaining takes place per Country



Transposition of the European Directive on Adequate Minimum Wages in the EU

No changes have been introduced to existing laws because of the Directive as the current coverage of collective agreements exceeds the 80% threshold. A tripartite working group was set up to evaluate the relationship between the Minimum Wage Directive and national legislation and practice.

This working group published a report on the results of the evaluation on 29 November 2024. In line with Article 10 of the Directive, the Finnish government will regularly collect data on collective agreement coverage rates, minimum levels of wages set by collective agreements and minimum wages paid to workers not covered by collective agreements. The first reporting on the data by the Finnish government took place on 30 September 2025.

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WAGE-UP

WAGE-UP is the ETUC Monitoring Tool presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

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