

OL 3 Nuclear Power Plant: A learning experience about posted workers (Finland)

Stakeholders

Finnish Construction Trade Union

Confederation of Finnish Construction Industries

Regional State Administrative Agency of Southwestern Finland/ Area of Responsibility for Occupational Safety and Health

Regional State Administrative Agency of Southern Finland/ Area of Responsibility for Occupational Safety and Health

Finnish Centre for Pensions

Finnish Tax Administration

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1. Background and motivation

The Olkiluoto 3 project (OL3) consists of the third nuclear power plant to the isle of Olkiluoto in Eurajoki, Southwestern Finland. The project is one of the biggest construction sites in Europe. The cost is about 8,5 billion €(original estimate 3,5 billion €).

A huge building project

In 2002, parliament voted in favour of the building nuclear power plant. Construction begun in 2005, infrastructural work has been done earlier. Today, it is expected that the construction will be not probably completed before 2016 (commercial start-up).

In 2006 all significant contracts were given to foreign companies. AREVA is selected to main contractor (distribution: Areva 66%, Siemens 34%). The project involves more than 2000 companies and about 30 000 workers of 60 different nationalities. At most 4700 workers were present in 2010. Labour force is mostly imported from abroad (75% of foreign workers, 25% of Finnish workers).

The scope of the Problems

Technical problems and delay project

The goal was a new power plant in use by the end of 2009. In 2006, serious technical problems delay project several months. The welding works of the reactor's steel cover were started with dated drawings, whereby holes were made in wrong places. A polish company welded the cover manually, a dated and slow method, and the reactor's pressure vessel had to be remade.

Client TVO and contractor Areva blamed each other for major schedule problems. The Radiation and Nuclear Safety Authority (authority belonging to the Ministry for Social Affairs and Health) nominated a research group to estimate the realization of the safety requirements. After many months of delay, findings were reached: welding work had been done safely and according to regulations. These problems relating to quality and delay provided bad press for the project. NGO:s (among others Greenpeace) complicated the progress of the project. The press and TV spread a negative image of the progression of the site and the quality problems. Citizens were worried and the support for a new nuclear plan has been endangered.

Hard to cope with

- the implementation of the project

Finns have international experience of big project sites. Preceding nuclear plants have been built to a major part by domestic work force. The OL3 project created a new context. And overall, there is a very little experience in the world about nuclear plant building site requirements.

We have estimated the main following problems:

- subcontracting too extensive,
- schedule too ambitious from the beginning (plans were incomplete when work was started),
- insufficient supervision of (subcontractor') work (Problems are not grasped in time),
- however, not so bad problems with supervision of occupational safety and health,
- how to identify all companies, company chains and also their workers,
- foreign companies: not enough knowledge about Finnish legislation.

- Finnish rules ignored (voluntarily or involuntarily)

A lot of problems related to wages, terms of employment, overtime compensation, accident insurance, organizing occupational health care, accommodation, pension insurances, taxes and obeying Finnish rules on tax registration, lacking or forged A1/E 101 certificates.

In 2008, the union gave a strike warning to reactor building work responsible and its subcontractor (confusion about worker's taxes, social contributions and additional holiday payments). The strike was expected to affect 1700 employees. The subcontractor was an Irish labour leasing employing 400 Polish workers at the site and registered in Cyprus.

- No Finnish organized employer and TU representatives at the site

Reciprocal difficulties

- Cultural differences complicate handling of matters. Foreigners are not familiar with
- Finnish methods of work, collective agreements, law and working conditions
- Management had work experience in Arab countries, under different practices

- Language problems (hard to establish contact)
- Prejudice against authorities and trade union
- Lots of foreign companies posting workers to the site with insufficient knowledge on
- Finnish statutory OSH and labour regulations
- How to work and cooperate with authorities

Frequent circulation of workers

Some foreign employees were changed every six months. A reason amongst others is taxation (taxes have to be paid to country where work is done instead of homeland because of the “183 day rule”). Also, when workers are changed, police can’t hear them in cases of crime, for example discrimination, and cases stay unsolved.

The “invisible village”

Workers’ accommodation is in “remote” places with a series of difficulties: no cars or leisure time activities, missing families, danger of alcohol related problems.

And “no help wanted!” for these “invisible workers” because of need of money, weak working relationship, professional crime involved.

2. Co-operation at OL3 site

The key partners

- Representatives of the Finnish trade unions (construction, metal, electrical, clericals)
- Occupational safety and health delegate (work safety delegate) at the site
- Main contractor’s representative for OSH issues
- Orderer and biggest subcontractors (consortium): cooperation with authorities (legislation – exchange of information – agreements in control)
- The challenge is to continuously follow-up at the site and provide background information for inspections

A co-operation between authorities with inspections through joint efforts:

- Regional State Administrative Agencies of Southwestern and Southern Finland/Areas of
- Responsibility for occupational safety and health (Labour Inspectorate)
- The Finnish Police
- The Finnish Tax Administration
- The Finnish Centre for Pensions
- Radiation and Nuclear Safety Authority - STUK

- Also some cooperation in control measures with The Finnish Customs and The Finnish Border Guard

Regular meetings and cooperation with client TVO and main contractor Areva-Siemens.

3. Main goals

To prevent **shadow economy** in construction sector in real time

To safeguard

* the **minimum level** of terms and conditions of employment

* **equal treatment**

* **employment protection** for employees (= protection against unfounded dismissals)

That means, to prevent **discrimination**, particularly discrimination of foreigners, to prevent enterprises from gaining **competitive advantage from violation** the minimum terms.

Finnish government has prioritized the prevention of shadow economy as one of the top areas. Finland has new legislation for fighting shadow economy on construction sector. For example, every worker in construction must have Finnish personal ID and tax number. Every worker's tax number must be in the tax number register. At site, every worker must have a pictorial identification card with name, picture, tax number and status (worker or self-employed) of the worker and also with the name of the employer company. Collection of information for analyses monthly: Contracts, contract sums, information about workers (with certain content of information)

4. Method components

Of the Labour Inspectorate

Supervision and monitoring

- to monitor workplaces about occupational safety and health and employment matters
- to give advice and guidance to both employers and workers
- to enforce
 - * occupational safety and health legislation, occupational health care legislation
 - * labour legislation, like posting legislation
 - * other relevant legislation (the Act on Contractor's Obligations and Liability, social security, accident insurance, work permits)
 - * generally binding collective agreements

In Finland, labour authorities do not represent the interests of the parties, but are monitoring that the legislation is obeyed.

Of The Finnish Centre for Pensions

To ensure pension security for employees and for the self-employed:

- Large (annual) comparison of registers, based on information from Tax Administration
- Impulses and other “tailored” information data through the cooperation between different authorities and social partners
- Single inquiries: employees asking about their insurance
- Preventive supervision (information for employers)
- Inspections (if necessary)

Of the Tax Administration

- OL3 counselling group (local Tax Offices)): task such as service to majority of employees and also counseling for the companies, guides, practical matters, tax infos and tax services on site (registration, preliminary taxation, guidance, meetings)
- Separate OL3 supervision project (Tax Audit Unit)
- Joint cooperation groups between different authorities
- Continuous collection of exact information from site
- Cooperation with orderer TVO and main contractors at OL3 (relating to the new legislation about Tax Number and Tax Number Register)

5. Specific actions

TU involvement at the site

Finnish Construction Trade Union negotiated to get a full time chief shop steward and an occupational safety and health delegate to the site.

The first smaller pieceworks were given to Finnish companies.

Client TVO wanted to prevent one union representatives' entry at the site. A solution is achieved after prolonged negotiations.

Supervision and monitoring through a joint inspection

60 representatives of the 6 authorities conducted a joint inspection at OL3 site in the spring of 2013. 2000 workers were interviewed on the spot. Only around 100 persons were not heard.

6. Feedback and future

- Employing factor for Finnish builders is not as significant as TU hoped for (locally has provided employment though)
- The TU movement was needed to obtain the building decision
- Also extensive real time cooperation with the business world was required
- A real time co-operation between authorities, construction site parties and unions both for employees and employers, highlighting areas for future work and action.

The key lessons

- Co-operation must be launched before actual work starts at site
- Contact persons, regular meetings are needed
- The knowledge of legislation and employment rights must be increased: simple leaflets, websites, easy access, “OSH day”/seminar for advice and guidance to prevent problems, lower threshold of contacting authorities
- There should be more organized employers and employees on the site (like members of the Confederation of Finnish Construction Industries and Finnish Construction Trade Union)
That way trade unions and organizations of employers can influence more on the site.
- Objective is to make it easier for employees and companies to fulfill their obligations and cope with obligatory demands they are facing by guidance, cooperation, dialogue and services
- More effective use of information in control measures

The aims are:

- to continue and deepen co-operation, launch it before actual building starts
- develop new creative thinking together and system solutions
- to plan ahead, to reach agreements
- to use publicity if there is clear benefit
- easy (“electrical”) methods for all parties to fill obligations