



Comment 1 (1)

To the Ministry of Economic
Affairs and Employment

22 January 2026

Subject: Request for comments VN/24269/2025 Report to the International Labour Organization (ILO) on unratified conventions and recommendations

The Confederation of Finnish Industries EK welcomes the opportunity to comment on the matter.

Finland does not report on Convention No. 156, which is the subject of the ILO's request for report, because Finland has ratified the Convention. Therefore, the reporting concerns only Recommendation No. 166 (Termination of Employment).

As regards Recommendation No. 166, the Confederation of Finnish Industries considers that the protection against termination of employment contracts of employees in both fixed-term and open-ended employment relationships and the related legal remedies in Finland are at a high level.

We also state in general that ILO's recommendations are, according to the organisation's own opinion, non-binding guidelines. Attention should be paid to this fact within Finland's reporting. It is not necessary to examine whether an individual Article of the Recommendation has been fulfilled in Finland or not.

We will leave a more detailed description of the general situation in the field of legislation and recommendations, if considered necessary in the reporting, to the responsible ministry and authorities.

The Confederation of Finnish Industries reserves an opportunity to supplement its statement after the reports have been drawn up.

Respectfully,

Confederation of Finnish Industries

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Your request for comments of 28 October 2025
VN/24269/2025

ILO's Convention No. 158 on Termination of Employment and Recommendation No. 166 supplementing it

As requested, the Finnish employee confederations, i.e. the Central Organisation of Finnish Trade Unions (SAK), the Confederation of Unions for Professional and Managerial Staff in Finland (Akava) and the Finnish Confederation of Professionals (STTK), state the following:

With this statement, the employee confederations SAK, Akava and STTK bring to the attention of the International Labour Organization the amendments to labour legislation implemented by the Finnish Government and submitted to Parliament, which substantially weaken the protection of employees against unjustified dismissal. The employee confederations consider that these amendments are not in line with ILO Convention No. 158, which has been ratified by Finland, and Recommendation No. 166 supplementing it.

Termination grounds related to the employee's person

A key principle of the Convention is that there must be a valid reason for terminating an employment relationship. According to Article 4 of the Convention, an employment relationship of an employee may not be terminated without a valid reason connected with the capacity or conduct of the employee or the operational requirements of the undertaking, establishment or service.

The Finnish Government has amended chapter 7, section 2 of the Employment Contracts Act (55/2001) concerning the termination grounds related to the employee's person (individual grounds). Parliament approved the act and the amendment came into force on 1 January 2026. The provision of the Employment Contracts Act on the protection of employees against unjustified dismissal previously required that the grounds for termination were "proper and weighty". The legislative amendment removed the requirement of "weighty" grounds, and in future, "proper" grounds alone will be sufficient grounds for termination. In addition, the provision on the comprehensive assessment of the grounds for termination was amended in a way that lowers the threshold for

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termination. In this context, the employer's obligation to reassign an employee as an alternative to termination was also weakened compared to previous practice.

To require just "proper" grounds for termination without "weighty" grounds weakens the objective assessment of the grounds for termination and shifts the focus to one-sided consideration by the employer. A change that lowers the threshold for termination, broadens the employer's discretionary power and weakens the employee's legal remedy endangers the basic principle of protection against unjustified termination. In particular, the implemented changes that relax the requirements for assessing the reprehensibility of an employee's conduct and lower the threshold for the grounds for termination, are likely to lead to situations where the employment relationship is terminated without a real and proper reason required by the Convention. Lowering the required threshold for termination may lead to situations where an employee can be justifiably dismissed on weaker grounds than what the Convention requires.

The employee confederations emphasise that this change means a substantial lowering of the threshold for termination compared with previous legislation and well-established case law, where the requirement of "weighty grounds" has served as a key protection mechanism against arbitrary and unreasonable dismissals. It will inevitably follow from the legislative amendment that the case law established over the decades will lose its meaning and that legal uncertainty will grow in the coming years as to when the threshold for termination is actually met.

In the opinion of the employee confederations, the Finnish Government has violated its international obligations by introducing a legislative amendment that weakens employees' protection against unjustified termination. Finland has ratified Convention No. 158 and is thus internationally obligated to ensure that national legislation and practice ensure the minimum protection required by the Convention and do not weaken it by legislative amendments or changes in interpretive practices.

Finally, the employee confederations note that, given that the purpose of the Convention and the supplementary recommendation is to ensure employees a predictable, fair and non-discriminatory protection against termination of their employment relationship by the employer, the overall development of employees' rights and protection against unjustified termination during the term of Prime Minister Orpo's Government is contrary to the purpose of the Convention and the supplementary recommendation. As a whole, the reform package of Prime Minister Orpo's Government weakens the position of employees, increases the risk of arbitrary dismissals and erodes trust in the legal certainty of working life. Such a trend is contradictory to both the wording of the Convention and the basic principles underlying it.

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Financial and production-related grounds for termination

The employee confederations consider that there are significant shortcomings in the application of the regulation on financial and production-related grounds for termination, and it is possible to circumvent the rule in practice. Termination is often justified by reasons broadly related to profitability or restructuring arrangements without sufficient and specific evidence of a substantial and permanent reduction in work. This kind of practice makes it too easy to terminate employees for financial and production-related grounds and weakens the legal protection of employees.

In many cases, the employer's obligation to offer other work or training as an alternative to termination is not fulfilled. In addition, the occupational safety and health authorities have limited enforcement possibilities, and it is often difficult for employees to assess the legality of termination, especially in cases where the employer's account of the grounds for termination of employment are insufficient or unclear.

The employee confederations emphasise that these shortcomings are particularly serious from the point of view of ILO Convention No. 158, according to which termination must be based on acceptable, verifiable and objectively estimable grounds. In addition, the ILO's CEACR practice has repeatedly stated that the employer must be able to demonstrate the grounds for termination and that employees must have a real opportunity to effectively assess the legality of termination. This requires, among other things, clear and sufficient accounts of the grounds for termination and effective legal remedies, which in many cases may turn out to be merely theoretical in Finland due to the slowness of district court proceedings and the risk of high legal expenses.

Use of fixed-term employment contracts without a justified reason

The Finnish Government has also submitted a bill to Parliament proposing changes to the conditions of fixed-term employment contracts. According to a proposal under consideration by Parliament, after the entry into force of the act, fixed-term employment contracts could be concluded without a justified reason for a maximum period of 12 months. This constitutes a significant derogation from the principle that a fixed-term contract must have an objective reason.

The employee confederations consider that the change proposed by the Government, under which an employer could conclude a fixed-term employment contract without a reason, would significantly increase the risk that employers circumvent the protections against unjustified dismissal. When the use of fixed-term employment is no longer required to be justified on objective grounds, the employer will have the opportunity to avoid the protections against unjustified dismissal and related procedures simply by terminating the employment relationship at the end of the fixed-term period.

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According to the employee federations, in practice the change would mean that the employer could hire an employee for a fixed term without a real need and terminate the employment relationship in accordance with the agreement without demonstrating the grounds for termination. This would make it possible to circumvent the rules on protection against unjustified dismissal, because the employee would lose the right to demand a justified reason for the termination or legal remedies that would have been available in an open-ended employment relationship.

In addition, the change would weaken the employee's position in terms of their legal protection, as it would be difficult for the employee to prove that by using fixed-term employment the employer has in fact "circumvented" the labour needs and that the employment relationship is in fact real and permanent. This would increase the uncertainty of employees and expose them to situations where an employment relationship can be terminated without a clear reason and without the possibility of a sufficient legal assessment.

The employee confederations consider that the change would be contrary to the basic principles of ILO Convention No. 158, which require that termination of employment be based on acceptable, verifiable and objectively estimable grounds and that workers have effective legal remedies at their disposal to evaluate the legality of termination. Expanding fixed-term contracts without a justified reason weakens the protections of employees and increases the risk that the protection against unjustified dismissal is circumvented under the guise of a fixed-term contract.

The employee confederations point out that the legislative amendment is contrary to Article 2(3) of Convention No. 158, which provides that the use of fixed-term contracts intended to circumvent the protection against unjustified dismissal should be prevented. Furthermore, it is contrary to paragraph 3(1) of Recommendation No. 166, according to which "Adequate safeguards should be provided against recourse to contracts of employment for a specified period of time the aim of which is to avoid the protection resulting from the Termination of Employment Convention, 1982, and this Recommendation."

Circumvention of protection against unjustified termination by disguising an employment relationship as a commission agreement and partnership agreement

The employee federations consider that disguising an employment relationship as a commission, cooperation or partnership agreements for the purpose of circumventing the protection against unjustified termination is becoming more common and expanding to different sectors. This phenomenon is not limited to the platform economy, but is also observable in traditional sectors, such as the service, transport, construction and logistics sectors. With the use of these agreements, employers want to ensure that the contract is not characterised by the essential elements of an employment relationship and therefore the contract

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does not need to provide the employee protection against unjustified dismissal or social security or meet other employer obligations.

In the view of the employee confederations, such a practice results in employees being treated de facto as employees, while depriving them of their rights and protection under the employment relationship. The position of employees is weakened because naming the employment contract in a certain way aims to hide the factual dependency relationship and subordinate position of the employee typically related to the orders, supervision and organisation of work by the employer. At the same time, it is difficult for employees to exercise legal protection because they have to dispute the form of the contract and prove that the contract fulfils the essential elements of an employment relationship.

The employee confederations consider the phenomenon particularly alarming from the perspective of ILO Convention No. 158. The Convention No. 158 requires that termination of employment be based on acceptable, verifiable and objectively estimable grounds and that employees have effective legal remedies at their disposal. Disguising an employment relationship as a commission or partnership agreement undermines these principles, as it makes it more difficult to determine the nature of the employment relationship and, in practice, makes it almost impossible for employees to exercise their rights.

Forms of safeguarding the income security of terminated employees

Article 12 of the Convention provides that “a worker whose employment has been terminated shall be entitled, in accordance with national law and practice, to (a) a severance allowance or other separation benefits, (b) benefits from unemployment insurance or assistance or other forms of social security; or (c) a combination of such allowance and benefits.” Subparagraphs (a) to (c) of paragraph 1 are alternative models for Members. In Finland, the subparagraph (b) is mainly applied, i.e. the income of the terminated person is secured through unemployment security. For this reason, Finnish legislation does not provide for severance allowance payable by employers, which would be paid regardless of the legality of the termination.

The employee confederations consider that Finland’s current practice involving waiting periods and consideration of reprehensibility in unemployment security has become such that it poses a significant risk to the requirement to income security of Article 12. A waiting period is a sanction for unemployment security based on reprehensible conduct in terms of labour market policy laid down in chapter 2a, section 1 of the Unemployment Security Act. The waiting period means that the payment of unemployment benefit will be suspended for 45 days if the jobseeker has resigned without a valid reason or if the jobseeker has caused the termination of the employment relationship through their reprehensible conduct.

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The employee federations consider that the practical application of the waiting period is currently such that, in order to avoid the waiting period, the jobseeker often has to dispute the termination in an evidential manner. According to the instructions of the Ministry of Economic Affairs and Employment, an evidential dispute requires, for example, filing a claim in a district court or the notification by the trade union to the employer. In practice, the waiting period therefore poses a significant financial risk to the terminated person who wishes to exercise their rights.

The employee confederations emphasise that not all terminated persons dispute their termination even if there could be grounds for that. Such disputes often involve a considerable financial risk in the form of legal costs, and legal protection is particularly weak for those who do not benefit from legal aid provided by a trade union. This weakens the possibility of a terminated employee to receive income security under Article 12. The employee confederations emphasise that, in view of the risk of expenses associated with the dispute, the weakening of the protection against unjustified dismissal and the currently unclear and ambiguous legal situation, which will continue for years, it is obvious that terminations will not be disputed and instead, terminated employees will settle for the loss of income security.

It should also be noted that during the waiting period for unemployment security, a jobseeker may receive social assistance, which is a last-resort financial assistance that only secures the essential livelihood of a person. Therefore, social assistance does not correspond to income security (income protection) under Article 12 of Convention No. 158. What is more, the fact that social assistance does not have the same purpose as a severance allowance or unemployment benefit underlines this conflict.

The employee confederations consider that Finland's current practice involving waiting periods and consideration of reprehensibility in unemployment security together with the weakening of protection against unjustified termination is problematic from the perspective of the objectives of Article 12. In practice, the application of the waiting period and the requirement to dispute it constitute an obstacle to ensuring that the terminated employee has sufficient income security at the end of their employment. For this reason, the current national regulation and practices must be reassessed in relation to the requirements of ILO Convention No. 158.

Overall development is contrary to the purpose of the Convention

The employee confederations consider that weakening the protection of employees in situations of termination of employment has become a trend in the Finnish labour legislation and unemployment security system in recent years. This development runs counter to the basic idea of ILO Convention No. 158, which aims to ensure that employees have predictable, fair and non-

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discriminatory protection against termination of employment relationship by the employer.

The employee federations estimate that the combined effect of the phenomena related to circumvention of job security, such as expanding the use of fixed-term contracts, disguising employment relationships as different kinds of commission or partnership agreements, and weakening the protection against unjustified dismissal, will in practice weaken the position of employees considerably. The possibility of the employer to conclude fixed-term contracts without a reason and the employer's right to too easily terminate an employee on grounds related to the employee's person increase the risk of arbitrary terminations and reduce the employee's possibility to receive legal protection.

At the same time, the system of waiting periods in unemployment security, which is based on reprehensible conduct in terms of labour market policy, has in practice become a punitive sanction for a terminated jobseeker. Imposing a waiting period often requires disputing the decision, which in turn poses a financial risk and legal uncertainty, especially for those who are not backed by a trade union. This development weakens the employee's income security and is therefore contrary to the objectives of Article 12 of ILO Convention No. 158.

As a whole, the reforms of Prime Minister Orpo's Government are part of a trend that weakens the position of employees, increases the risk of arbitrary terminations and erodes trust in the legal certainty of working life. Such a trend is contradictory to both the wording of the Convention and the basic principles underlying it. The employee confederations consider that the changes in labour legislation further increase the risk to legal protection of employees and remove Finland away from the objectives of ILO Convention No. 158.

Central Organisation of Finnish Trade Unions (SAK)

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Ministry of Economic Affairs and Employment

Request for comments VN/24269/2025

Statement on a report to be submitted to the International Labour Organization on unratified conventions and recommendations

The Ministry of Economic Affairs and Employment has requested a comment on a report to be submitted to the International Labour Organization (ILO). The matter concerns reporting under Article 19 of the ILO Constitution concerning Finland's unratified conventions and recommendations. The reporting concerns Convention No. 158 on Termination of Employment and the related recommendation. Finland ratified the Convention in 1992.

As a general observation, the Federation of Finnish Enterprises states that the regulation on termination of employment contracts in force in Finland meets and, in many cases, exceeds the requirements of Convention No. 158. Answers to the questions of the reporting form appended to the request for comments are available in legislation on termination of employment relationships currently in force.

In Finland, the Employment Contracts Act applies to all work performed in an employment relationship. The regulation on termination of employment mainly consists of the provisions of chapters 6–9 of the Employment Contracts Act and the provisions of the applicable collective agreement. The regulation can be divided into termination on individual grounds during the trial period, termination or cancellation of an employment contract, and termination of an employment contract on production-related and financial grounds. For the purposes of Convention No. 158, the regulation on the procedure for terminating an employment contract as well as the general provisions on termination applicable to both terminations on individual grounds and production-related and financial grounds are relevant. As regards the report to be submitted to ILO, amended regulation on termination on individual grounds (1390/2025), which entered into force on 1 January 2026, has special relevance.

The provisions of the Employment Contracts Act on trial periods, fixed-term employment contracts and compensation for groundless termination of employment are also relevant in terms of the content of Convention No. 158. Changes to fixed-term employment contracts, which are currently under preparation, should also be taken into account. The procedure for

terminating employment on production-related and financial grounds is also regulated by the provisions of the Cooperation Act. In addition, the provisions of the Act on Equality between Women and Men and the Non-discrimination Act are important from the perspective of the prohibitions of discrimination contained in the Convention.

It must be noted that as regards, in particular, the grounds for termination related to the employee's person, the content of the amendments that entered into force on 1 January 2026 is consistent with the Convention. This is also apparent from the preparatory documents for the act (HE 158/2025 vp, PeVL 55/2025 vp and TyVM 10/2025 vp). Chapter 7, section 2 of the Employment Contracts Act requires that there always be a proper reason for termination based on the employee's person. Although a "proper" reason differs terminologically from the "valid" reason in ILO Convention No. 158, "proper" reason must be considered to be at least equivalent to "valid" reason in determining the threshold for termination. The Federation of Finnish Enterprises points out that the terms used in international treaties are often general in nature and cannot be given an exact meaning without the body and context of national legislation. Therefore, it is not necessary to assess in more detail the difference in meaning of "proper" reason and "valid" reason.¹

The Federation of Finnish Enterprises also states that Convention No. 158 contains a number of flexibility clauses and does not require the application of all its articles in all employment relationships. The Federation of Finnish Enterprises considers that the regulation on termination of employment in force in Finland in many respects goes beyond the minimum provisions of the Convention and imposes on the employer a number of substantive and procedural obligations that would not be required by the Convention.

The Federation of Finnish Enterprises notes separately that a new provision of Article 5(b) of Convention No. 158 was added to the Employment Contracts Act by an act that entered into force on 1 January 2026 (1390/2025). According to the provision, serving or previously serving as an employee representative or applying to serve as one is considered a prohibited ground for termination (chapter 7, section 2a, paragraph 4). However, even before the amendment, serving as an employee representative or applying to serve as such have been prohibited grounds

¹In its report on the legislative amendment (TyVM 10/2025 vp), the Employment and Equality Committee stated that "the Committee considers that harmonising the concepts used in national regulation with the terms adopted in international regulation would involve the risk that the threshold for dismissal would be unnecessarily low. The use of the same terminology may give rise to the interpretation that the level of the threshold for termination is to be set nationally in line with the internationally accepted minimum level of protection."

for termination, and the purpose of the amendment was not to change the legal situation or the application practice.

As concerns the preparation on fixed-term employment contracts, the Federation of Finnish Enterprises states that the amendments under preparation do not violate Convention No. 158 in any respect and clearly exceed the level required by the Convention. In its prepared form, the amendment would not enable circumvention of the protection against unjustified dismissal.

Respectfully

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Ministry of Economic Affairs and Employment 23 January 2026 VN/24269/2025

Request for comments VN/24269/2025 on a report to be submitted to the International Labour Organization (ILO) on unratified conventions and recommendations

Local Government and County Employers KT would like to thank you for the opportunity to comment on the matter.

ILO Convention No. 158 on Termination of Employment lays down the conditions for terminating an employment relationship. Finland has ratified the Convention. Recommendation No. 166 (Termination of Employment) also applies to termination of an employment relationship. Recommendation No. 166 has in particular had an impact on the development of labour legislation in Finland, even though it has not been directly ratified. However, the principles of the Recommendation are considered and applied, especially when fair grounds of termination are being defined.

Finland has recently reformed the grounds for termination related to the employee's person (individual grounds) of the Employment Contracts Act, with the amendments entering into force on 1 January 2026. During the legislative drafting, the effects of ILO Convention 158 and Recommendation 166 on the legislative reform were extensively discussed. Not all the requirements of the Convention have been explicitly reiterated in national legislation, nor is there any need for it.

During the reform of the Employment Contracts Act concerning individual grounds, which entered into force on 1 January 2026, an amendment was made to the legislation, on the basis of the ILO Convention, stating expressly that currently or previously serving as an employee representative, or applying to become one, cannot be considered acceptable grounds for termination.

Government Proposal (158/2025) states that the requirement of proper reason corresponds with the requirements of ILO Convention No. 158 and the European Social Charter, according to which an employee may be terminated only for a valid reason or grounds.

Local Government and Country Employers KT reserves an opportunity to supplement its statement after the reports have been drawn up.

Helsinki 23 January 2026

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