

25 February 2026

Ministry of Economic Affairs and Employment

**Statement of the Finnish Trade Union Confederations SAK and STTK on the
Government's Report to the ILO on Convention No. 158 and Recommendation No.
166**

The overall substantive level of the Government's report is narrow and based mainly on legal norms, and it does not meet the ILO Convention No. 158 and Recommendation No. 166 requirements for an assessment that demonstrates the realization of workers' rights. The Government repeats legal texts and procedural descriptions but does not assess how the regulation actually functions in workplaces, how workers' rights are realized in practice, or how the reported changes affect those rights.

The report is limited and lacks the required analysis of the implementation of workers' rights; it entirely ignores the practical realization of employees' rights and the effectiveness of the legislation, even though both the Convention and the Recommendation require factual rather than merely formal reporting.

**Weakening of protection against dismissal is inadequately described in the
Government's report**

SAK and STTK note that the Government describes the legislative change in a way that obscures the essential weakening. The report states that as of the beginning of 2026, the conditions for dismissal on personal grounds were eased so that an "appropriate reason" is now sufficient, instead of the previous "proper and weighty reason." However, the report claims—without any justification—that this lower threshold still meets the minimum standard of ILO Convention No. 158.

The core of the ILO Convention is that dismissals must be based on a *valid reason*—and in interpretation practice this has required a *substantial* reason, not merely a minor employer interest.

The report also fails to address the practical implications of this change for the employee's legal protection, including the risk that dismissal grounds become more subjective in practice and the effects on the burden of proof, even though the Government notes that the employer bears that burden.

Thus, the report overlooks the essential issue: the national threshold for dismissing an employee has been significantly lowered — precisely the matter the ILO examines when assessing the level of protection.

The report does not evaluate the weakening of dismissal protection in relation to Articles 4, 7, and 9 of Convention No. 158. Nor does it assess the change in relation to Recommendation No. 166, which further specifies the obligations of those articles, especially regarding warnings, progressive discipline, and the principle that dismissal must be a last resort.

The report ignores established interpretation principles, including:

- minor infractions alone are not sufficient grounds for dismissal
- dismissal must be the last resort (principle of progressive discipline)
- the employer must demonstrate a genuine and significantly relevant reason

Consequently, the report suggests that the change is merely technical rather than substantive, even though in reality it is a significant weakening of dismissal protection.

The report also lacks impact assessments—such as whether improper dismissals may increase. ILO requires that reports include information on practical application. The report merely states that a “more detailed assessment will be provided in the next reporting cycle,” which is insufficient and contrary to the purpose of reporting, as the law is already in force and its effects are central to the Convention.

Combined impact of weakened dismissal protection and unemployment benefit cuts significantly worsens employees’ situation

Prime Minister Petteri Orpo’s Government introduced extensive cuts to unemployment security in 2024, affecting especially earnings-related unemployment benefits. The cuts included:

- increased waiting periods
- introduction of holiday compensation deferral
- removal of child supplements
- removal of the €300 exempt amount
- abolition of increased earnings-related components for participation in services
- extension and monetization of work requirement
- removal of services and the right to re-qualify for earnings-related benefits for older long-term unemployed jobseekers

As a result, fewer unemployed individuals accessed earnings-related benefits, and more fell back to basic security.

Additionally, from early 2026, the Government tightened sanctions for unemployed jobseekers and made basic unemployment benefits means-tested. All cuts were made unilaterally without genuine tripartite preparation.

The cuts drastically reduced the incomes of jobseekers in 2024–2025, both through unemployment benefit reductions and housing allowance cuts. The share of unemployed people below the low-income threshold (60% of median income) rose from 60% to 71%.

Women were disproportionately affected:

- more than one in four female jobseekers now earns under €1,000 per month
- median income for unemployed women fell from €1,321 to €1,200 (–€120)
- for men, from €1,422 to €1,400 (–€22)

Thus, social security cuts hit women five times harder than men.

The proportion of women earning under €1,000/month rose from 22% to 33%, and for men from 16% to 21%.

In April 2025:

- 75% of unemployed persons reported that their income was insufficient for unexpected expenses
- over half (53%) of jobseekers aged 41–50 reported they could not afford food or clothing, a 12-percentage-point increase in one year

For some unemployed persons, the full effects of cuts will materialize only at the end of the year, increasing the number of people in financial distress.

SAK and STTK draw the ILO's attention to the fact that the Government's report does **not** assess the combined effects of weakened employment and social security protections.

Amendments to the Act on Co-operation within Undertakings weaken employees' access to information and participation

The Government describes raising the applicability threshold of the Act on Co-operation within Undertakings from companies with at least 20 employees to those with at least 50, and the significant shortening of negotiation periods.

These changes substantially weaken employees' position. According to SAK and STTK:

- most private sector employees will be excluded from statutory co-operation procedures
- workers will have fewer opportunities to obtain information, influence dismissal-related decisions, or propose alternatives
- the risk of sudden and unpredictable dismissals increases

The Government's report does not describe these impacts.

Limiting co-operation obligations only to workplaces with more than 50 employees contradicts ILO obligations requiring early information and genuine opportunities for consultation.

Fixed-term employment contracts may be concluded without a justified reason

The Government notes that on 15 January 2026 it proposed legislation allowing employers to conclude fixed-term contracts of up to one year without a justified reason.

SAK and STTK state that this conflicts with the core principle of Convention No. 158, which prohibits the use of fixed-term contracts to circumvent dismissal protection.

The report refers to existing legislation, but only to the previous legal situation. It does not assess the risk that the change will undermine protection against dismissal.

ILO interpretation stresses that fixed-term contracts must not be used to avoid protection or permanent employment. The Government report completely ignores:

- the risk of replacing permanent jobs with fixed-term ones
- the possibility of repeating one-year fixed-term contracts
- effects on young workers or vulnerable groups

Again, the Government states only that “more information will be provided in the next report,” which does not meet ILO requirements.

Assessment of the Government’s report

SAK and STTK conclude that the Government's report avoids assessing whether the changes weaken protection of workers. For both major weakenings—the lowering of the threshold for dismissal and the easing of conditions for fixed-term contracts—the report merely restates the amendments without evaluating compliance with Convention No. 158.

The report also omits the views of labour market organisations. It states that opinions have been attached but does not summarize any of the critical comments—even though SAK and STTK have publicly expressed strong criticism, especially of the weakening of employment protection.

SAK and STTK criticize the report for presenting significant weakenings as minor and inconsequential. This undermines the reporting purpose: to provide the ILO with an accurate and realistic picture of compliance, not a politically curated version.

Finally, SAK and STTK stress that the report is substantively incomplete and intentionally selective in two respects:

1. the weakening of dismissal protection is presented as technical, although it clearly lowers protection and increases legal risk for workers
2. the easing of fixed-term contracts is described merely as informational, though it deviates directly from core mechanisms of Convention No. 158

Even if the report meets formal requirements, it does not meet the substantive purpose of assessing the actual impact of national legislation compared to the level of protection required by the Convention.

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