

## Statements of the labour market organisations

### STTK, Akava and SAK

The scope of ILO Recommendation No. 205 was expanded in 2017. The recommendation provides member states with guidelines on the importance of employment and decent work in preventing, recovering from, promoting peace, and strengthening resilience in crisis situations caused by conflicts and disasters. This should be done, among other things, through dialogue between labor market parties and by promoting respect for fundamental labor rights, decent work and employment, occupational safety, and the operating conditions of sustainable enterprises.

The goal of Prime Minister Petteri Orpo's government program is to balance public finances with significant austerity measures. Additionally, the government aims to achieve an employment rate of 80 percent by 2031. The goal for the 2023–2027 government term is to implement reforms to increase employment by at least 100,000 employed persons. Efforts to balance the economy and save state finances have largely been pursued through significant cuts to social security, which have particularly targeted the unemployed and those already in a vulnerable position.

Since March 2024, Prime Minister Orpo's government has made significant cuts to unemployment, housing, and sickness benefits. These cuts have increased poverty, especially among part-time workers, those suffering from health or family issues, and those with an immigrant background. These extensive social security cuts partly affect the same groups of people, and the alleged positive employment effects of the cuts are uncertain. Some of the reforms may even weaken incentives for employment.

The Finnish government has also implemented cuts targeted at skills development. The Parliament abolished adult education support in May 2024, and the decision came into effect in June 2024. The abolition of adult support makes it difficult for adults to develop their skills alongside their livelihood. Funding for vocational education will be reduced by 120 million euros in 2025, which will negatively affect the education of adults, young people, and immigrants. Previously, 30,000 working adults have been able to maintain and develop their skills annually with adult education support. Opportunities for adults to develop their skills are being drastically cut, and these cuts will reflect on the availability of skilled labor and employment.

The central organizations of employees SAK, Akava, and STTK believe that in an increasingly rapidly changing work environment marked by structural changes, digitalization, and artificial intelligence, effective employment policy also requires, from the perspective of ILO Recommendation No. 205, that employees' skills are developed both during employment and during periods of unemployment to enable re-employment. Instead of promoting the goals of the recommendation, the Finnish government has weakened the opportunities for the unemployed and laid-off workers to develop their skills.

The central organizations of employees SAK, Akava, and STTK also emphasize that numerous projects included in Prime Minister Petteri Orpo's government program that undermine social dialogue and the collective bargaining and negotiation system have already been implemented, as well as labor law changes that significantly weaken the position of employees and the negotiation and agreement conditions of trade unions.

The following is a list of measures implemented by the Finnish government and partly still under preparation that weaken the position of employees and trade unions:

- The Finnish collective agreement system has been weakened, which negatively affects various population groups, especially immigrants and those with a refugee background;

- Expanding local agreements to the generally binding field and the possibility to deviate from the semi-dispositive provisions of labor legislation also with company-specific collective agreements;
- Restricting political and support strikes, significantly increasing compensation fines for illegal strikes, and extending the penalty to individual employees;
- Ensuring protection work in strike situations;
- Legislating an export-driven labor market model; and
- Easing dismissals and making fixed-term contracts without a justified reason.

The implementation of Prime Minister Orpo's government program described above means significant weakening of workers' rights, state interference in the autonomy of labor market parties' agreements, and the jeopardizing of the general binding nature of collective agreements, driving the labor market towards a more decentralized model.

Prime Minister Orpo's government has also significantly tightened immigration policy. The government has significantly tightened immigration and residence permit legislation, including the three-month unemployment rule, stricter requirements for obtaining a permanent residence permit, and tightened citizenship rules. These measures are likely to negatively affect the integration of immigrants into the labor market and society.

The Finnish government has recently proposed significant cuts to integration resources. The 2025 budget proposal suggests reductions in state subsidies to municipalities for integration services, aiming to lighten the state's financial burden. These cuts reduce the obligations of municipalities and welfare regions in planning and promoting integration. Although the government aims to balance these cuts by increasing incentives for immigrant employment, concerns remain, particularly regarding language training, early childhood education, and immigrant income support.

In response to the public debate on racism, Orpo's government has published an anti-racism action program. However, the measures presented in the action program are largely superficial, despite significant work being needed to combat racism and discrimination in Finnish working life.

Finally, the central organizations of employees SAK, Akava, and STTK emphasize that the legislative projects described above by the Finnish government will inevitably have negative repercussions on how Finland can actually continue to secure and consider the priority areas in line with the scope of ILO's recommendation.

### **Local Government and County Employers KT**

The Local Government and Welfare Employers KT comments specifically on questions 18 and 19.

The Local Government and Welfare Employers and the main contracting organizations representing employees in these sectors have not specifically targeted actions at crisis situations through agreements. The approach has been more general, with the idea that the overall development of working life also strengthens resilience in crisis situations.

Finland has a long tradition of cooperative development of working life, where labor market parties jointly promote productivity and the quality of working life in workplaces, accelerate the adoption of new practices and new technology, and particularly in the public sector, also learn from each other. This has been evident, for example, in the continuous chain of national working life development and productivity programs from 1993 to the current TYÖ2030 program. In the local government and welfare sector, the latest agreement on cooperation in the development of working life was made in connection with the settlement on May 27,

2020, and an agreement on this was signed in 2022 in the local government and welfare sectors. Thus, the development of working life was established at the national level and is jointly funded.

The central labor market organizations have been proactive in initiating and implementing programs with ministries and other working life actors. Currently, the same group is renewing Finland's working life development strategy. The Occupational Safety and Health Fund and the Center for Occupational Safety, jointly managed by the labor market parties, have been operating since the late 1970s, funding research related to the development of working life and training the management and staff of companies and organizations in occupational safety matters.

Working life development is also carried out at the sectoral level. Examples include the Kunteko program by the local government and welfare sector labor market parties from 2015 to 2020, the ongoing Tärkeissä töissä initiative, and the associated Tekojen tori, which has already collected over 1,500 development actions and stories from municipalities and welfare regions. The labor market parties have been monitoring changes and transformations in various professional fields together with workplaces since 2019. The monitoring period includes, for example, the COVID-19 era, the generalization of remote and hybrid work, the launch of welfare regions in 2023 (the largest administrative reform in Finland's history), and the introduction of generative AI in workplaces.

The idea of developing working life in workplaces remains the same: Management, supervisors, and staff develop together. In Finland, this is considered a good way to sustainably address operational challenges and changes in the operating environment, and to utilize everyone's skills. According to our experience and research, it is worthwhile to develop productivity (effectiveness) and the quality of working life (well-being at work) simultaneously.

Concrete development actions have been published on the Tekojen tori online platform, which serves not only as a publication platform for development work but also as an idea bank. ([Doing Important Work is an initiative to develop working life | Tärkeissä Töissä](#))

Preparedness can be seen as part of the development activities of municipalities and welfare regions. In the recovery phase of crises, resources are aimed at core tasks and critical functions to ensure their continuity. It is good to include measures and resource needs for the recovery phase in preparedness plans.

### **The Federation of Finnish Enterprises SY**

The Federation of Finnish Enterprises SY announced that it will not provide a statement this time regarding the request mentioned in the title.