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[FINLAND: The Government is seeking significant changes in labour law, and in the right to strike.](#)

Announced austerity measures mainly interfere with social standards and labour-related protections.

In Finland, as a solution to the countries weakened economic situation and increased government debt, the Government is seeking significant changes in labour law, and in the right to strike. The programme of the Finnish government includes a wide range of social welfare reductions, including drastic cuts in earnings-related unemployment benefit and housing allowance. Many of these cuts and legal changes are scheduled to take effect next year, with the first already introduced at the start of 2024.

Collective bargaining	The maximum level of wage adjustments will be tied to pay increases in export sectors in conciliation.	This change will affect trade unions’ free right to negotiate and cement the pay gap between male- and female-dominated sectors.
Right to strike	The provision of protection in conflict situations will be defined by law.	the change may result in significant restrictions on the right to strike in the social welfare and healthcare sector.
Right to strike	The political right to industrial action will be limited to demonstrations of one day,	The goal is to limit people’s right to demonstrations regarding amendments to labour and social services legislation. Political strikes have been quite rare in Finland, the right to strike has been used moderately, and there is no need for restrictions.
Right to strike	Solidarity actions will be within the scope of the notification obligation, assessing the proportionality of solidarity strikes and limiting their impact to parties to labour disputes will be defined by law.	The right to strike will be limited significantly. Various limitations related to the procedure and content when exercising the right to strike may mean that the right to strike decreases significantly in practice.
Right to strike	The level of the financial sanctions imposed on illegal industrial actions will be increased. The lower limit will be EUR 10,000 and the upper limit EUR 150,000.	This means a significant increase in financial sanctions. Illegal strikes often involve situations where employees react to large-scale employee discharge plans of companies or weaker terms of employment.
Right to strike	A personal sanction of EUR 200 will be imposed on employees for continuing a strike deemed illegal by the Labour Court.	A strike is an industrial action, which is usually decided on by a union or member association. Consequences should not be targeted at individuals.
Right to strike	Opportunities to derogate from labour law through a company-specific collective agreement will be expanded, and employee protection based on legislation on local agreements and collective agreements will be reduced.	In the future, a union-trained shop steward does not need to be a contractual party in a local agreement. The risk is that an agreement does not reach the minimum level of employment terms safeguarded by legislation and collective agreements, resulting in unhealthy competition in labour markets based on drastically limited terms of employment. It remains unclear how the abilities and skills of employee representatives negotiating on behalf of the employees will be ensured, how contractual disputes will be settled, and who will cover the costs arising from dispute resolutions.
Decreases in terms of employment	Specific grounds for fixed-term employment contracts of one year will no longer be required.	The change will probably increase the unfounded chaining of employment contracts and therefore uncertainties in working life, and reduce the use of indefinite employment relationships. The change will especially affect young people and women. Furthermore, the change may increase discrimination based on pregnancy and family leave, considering that a significant part of discrimination is already associated with fixed-term employment relationships.
Decreases in terms of employment	The notice period for lay-offs and the related wage payment obligation will be shortened to	Currently, the notice period for lay-offs is 14 days by law. The notice period is also defined in some collective agreements.



	seven days irrespective of what is defined in the collective agreement.	Employees will have less time to prepare for a lower level of income. At the same time, the change affects the contractual autonomy of parties to collective agreements, as the content of existing agreements is affected through legislation.
Decreases in terms of employment	The first day of sick leave will be unpaid.	The change will cause an unreasonable loss of income for employees and forces more employees to come to work ill.
Decreases in terms of employment	Employees' protection against dismissal on personal grounds will be reduced. In the future, a relevant reason will be sufficient to dismiss employees on personal grounds, whereas a relevant and weighty reason is currently required.	The change will significantly reduce employment protection.
Decreases in terms of employment	The scope of application of the Co-operation Act will be limited to companies employing at least 50 people, and the minimum negotiation periods of legal cooperation negotiations will be halved.	Currently, the Co-operation Act applies to companies employing at least 20 people. The change will leave most jobs outside the scope of the development of working life and cooperation between employers and employees, and reduce the opportunities of employees to have their voice heard in companies. STTK has proposed lowering the scope of application to companies employing at least 10 people. The minimum negotiation periods of cooperation negotiations on dismissals will be halved, which significantly reduces the purpose of negotiations and the opportunity to engage in a genuine dialogue on alternatives for dismissals.
Decreases in terms of employment	The re-employment obligation laid down in the Employment Contracts Act will be removed from companies and organisations employing fewer than 50 people irrespective of what is defined in the collective agreement.	Currently, the re-employment obligation is four or six months depending on the duration of the employment relationship. The change will reduce employment protection. It will also affect the contractual autonomy of parties to collective agreements.
Decreases in benefits and allowances	The level of the earnings-related unemployment benefit will be reduced in steps. The benefit will fall to 80 per cent after eight weeks and to 75 per cent after 34 weeks of unemployment.	The change will especially affect those who consider finding a new job difficult for various reasons. The change may lead to a cycle of social services, as people may also need to apply for other social security to protect their livelihood.
Decreases in benefits and allowances	The employment condition of the unemployment benefit will be extended to 12 months.	The change will reduce the opportunity to obtain the earnings-related unemployment benefit and increase income problems during unemployment. Combined with the easier possibility to use fixed-term employment relationships, this may also increase uncertainties in working life and transfer the unemployed to other social security.
Decreases in benefits and allowances	A euro limit will be set for the employment condition of the unemployment benefit.	The change will reduce the level of the unemployment benefit for some and will be particularly problematic for those with low income and who work in unusual working conditions. The change will increase income problems and lead to a cycle of social services, as people may also need to apply for other social security to protect their livelihood.
Decreases in benefits and allowances	Holiday allowances will be divided into periods, the number of deductible days will be increased from five to seven days, the accrual of the employment condition in pay-supported employment will be discontinued, child increases will be removed, and age-tied derogations and protective components will be eliminated.	The changes will reduce the level of the unemployment benefit and will be particularly problematic for those with low income and who work in unusual working conditions. Furthermore, the changes will increase income problems.
Decreases in benefits and allowances	The increment of the first 16 working days in the parental allowance will be discontinued.	The change will reduce the livelihood of families. In addition, it may make it more difficult to agree upon the paid parental leave period in collective agreement negotiations.
Decreases in benefits and allowances	The adult education allowance will be discontinued from 1 August 2024.	Because the adult education allowance supports access to income during studies, the change will particularly reduce the opportunities of the working-age population with low and medium income to update their skills during their career.
Decreases in benefits and allowances	Alternation leave will be discontinued.	The change will remove a significant benefit that has supported employees' coping at work and the diversification of careers, which has especially been used by women with extended careers.



All these changes will damage the interests of employees by increasing insecurity in the working world.

Cuts in social welfare are bad news not only for the unemployed, but also for those in low-paid jobs. The envisaged cuts are in no way marginal. The Government is planning many major changes in labour law, the right to strike and social welfare. The changes in labour law and the right to strike will exclusively benefit employers, and not their employees. The particular victims of social welfare cuts will be people on low incomes, part-time and casual employees, and the unemployed.

The Government has tried to justify the cuts on economic grounds, but undermining the status of employees will have no significant impact on the Finnish economy but will reduce opportunities on the labour market and will predictably increase poverty. Instead these measures are motivated by certain general attitudes and values. The impact on employees will at least partly conflict with international treaties.

Trade Unions have accordingly begun preparing organisational action. This may be take the form of various collective anti-government protests by employees. The SAK #SeriousGrounds and STTK #kohtuuskaikeassa (loosely translated 'be reasonable') campaigns aim to inform people on the content of the government plans.

## EUROE AREA: EUROGROUP anticipates austerity while European people wait for investments and income support

The Eurogroup agreed on the need for a restrictive fiscal stance in the euro area for 2024, pursued through determined, gradual and realistic fiscal consolidation.

Because of uncertainty and inflation, we are now at a turning point for public finances after 7 years of expansionary policies.

Ministers also stressed the need for continued structural reforms and higher investment through private and public sources and EU mechanisms. This notably includes winding down energy support measures as fast as possible this year and the following, and using the related savings for deficit reduction. As we have stated in past Eurogroup statements, we will also avoid permanent deficit increasing measures.

If such announced measures will become reality it means that citizens of the Euro area will have less resources to be sheltered against inflation and cost of living, that investemtns will be substantially privatised and SMEs will suffer from a credit crunch that will destroy jobs, harshened by a short-sighted decisions of the ECB to raise interest rates beyond what the economy can hold

(<https://www.etuc.org/en/pressrelease/record-rate-hike-hits-workers-helps-shareholders>).

Such measures should materialise in the draft budgetary plans that all Euro area member states will submit by the 15th of October. The ETUC takes action to dodge the risk that a new wave of austerity driven measures will affect workers across Europe. Measures as the ones envisaged by the Eurogroup are conducive to major reforms of key labour law, social protection and human rights law in the Member States and in Europe, downgrading workers' rights, protections and incomes, resulting in significant deregulation, with clear exemption for business to comply with legal requirements.

The ETUC is mobilising its affiliates against attempts to reintroduce austerity driven policies in the EU. The mobilisation in coming months will bring workers on the street in EU capitals and in Brussels. ETUC is asking all European workers to support the demands for a new economic and social model that in which all workers are better off. The ETUC asks to leave austerity measures aside and finance investments in better jobs, job creation in sustainable economic activities, jobs that are protected by genuine collective agreements and that public resources are allocated respecting social conditionality. The ETUC is also mobilised to include such principles of social progress and convergence in the reform of the Stability and Growth Pact.

## REFORM OF THE STABILITY AND GROWTH PACT: SOCIAL AND ENVIRONMENTALLY SUSTAINABILITY VS AUSTERITY?



The reform of the Stability and growth pact is at a turning point. The European Parliament is expected to adopt its proposals by mid November. On the Council side the Ministries of economy and finance of member states were basically split in 2. A first group supported the sustained reduction of countries' public debt and the second were calling for the necessity to boost investment and incentives to tackle the necessary structural reforms.

These 2 visions should find a political compromise and a right balance must be struck by the end of the year. The ETUC has repeatedly alerted that a reform of the economic governance exclusively focused on fiscal criteria will lead to dangerous curtails of government expenditure for investments and social expenditure. Such measures, as the recent past sadly witnesses, are conducive to reforms that strongly penalise workers, their rights and their incomes. On the contrary, the EU needs an economic governance that support the sustainable transformation of our economy putting social and environmental objectives at its core.

The ETUC has raised attention of EU decision-makers on the following risks

- The Fiscal Compact is not terminated and, even if the more loathsome part is apparently put aside, it may still be source of austerity-driven interpretation of the reformed fiscal rules.
- The reform does not retain in full the lessons learned from the RRF. In particular, the ETUC regrets that neither a fiscal capacity of the EU nor a EU-financed fund for investments are part of the reform.
- The ETUC is afraid that the attempt to simplify the economic governance of the EU may be vanished by the provisions concerning the adjustment trajectories according to the Debt Monitoring Tool.
- Finally, it is unclear how social objectives and job creation will be taken into account when analysing and evaluating fiscal sustainability of member states and, eventually, the activation of excessive deficit procedures.

The ETUC is taking action to advocate its own proposals which can be so summarised:

- avoid too quick and too ambitious debt and/or deficit adjustments or requiring an unsustainable initial fiscal efforts.
- ensures that investments are protected under the next expenditure rule and under the excessive deficit procedure.
- rebalancing macroeconomic boundaries with the achievement of the European Pillar of Social Rights, introducing social criteria in assessing fiscal positions of member states such as situation of employment, wage dynamics, poverty, social exclusion and other relevant social objectives of the economic governance.
- democratisation of processes and role of social partners identified at milestones of the new processes introducing precise measures to mark the time of and quality criteria for the social partners' involvement.