



Labour market change

Fiskars:

Relocation from Finland

to Poland – case study

[ERM report 2020: Restructuring across borders](#)

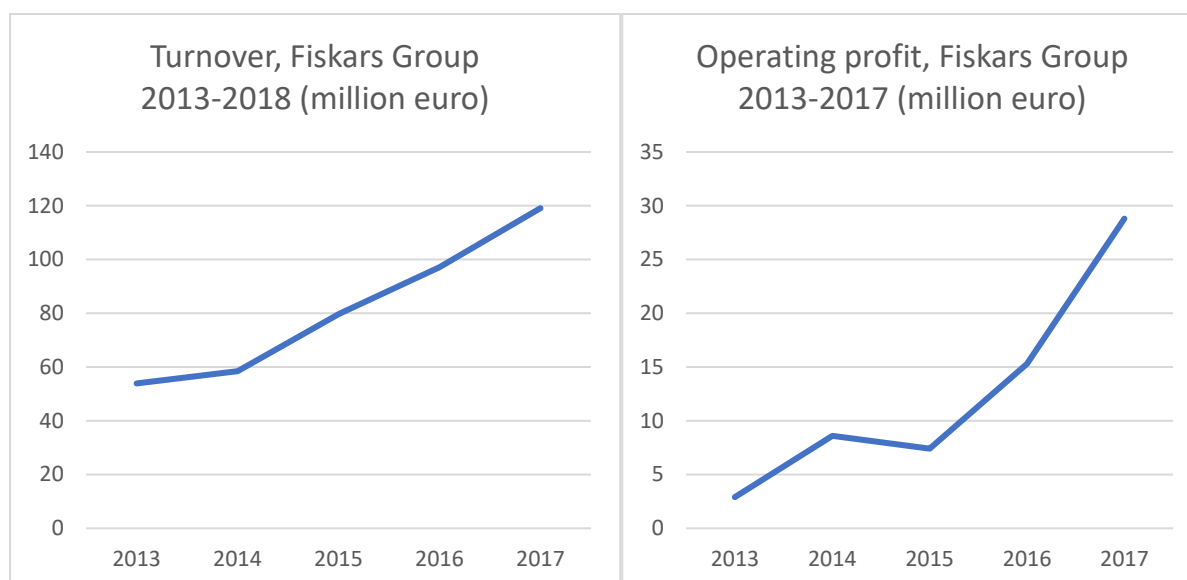
Fiskars: Relocation from Finland to Poland

This case study was carried out for a European Restructuring Monitor project on transnational restructuring (2019-20).

Report: <https://www.eurofound.europa.eu/publications/report/2020/erm-report-2020-restructuring-across-borders>

Introduction

Fiskars Group is the oldest company trading in Finland, with its roots dating back to the 17th century. Today, Fiskars Group comprises a number of brands including Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford and Wedgwood. The group's various brands focus on the manufacture of household and gardening tools and goods. Between 2013 and 2017, the group's turnover has increased, first marginally (between 2013-2014) and then more significantly, while operating profits saw a small decline between 2014-2015, but increased steadily in subsequent years up to 2017.



Source: Statistica

Employment trends at Fiskars

Globally, the company has more than 7,600 employees, most of which in Finland (some 1,125 as of 2018; with several sites across the country), United States (1,000), Indonesia (980) and Slovenia (900).

Relocation from Finland to Poland (2016)

In March 2016, Fiskars announced a maximum of 107 job cuts at its factory in Billnäs due to take place in several phases between 2016 and 2017. Following negotiations between employers and workers, the company reports that in the first phase 61 jobs were cut, and this is also the number of dismissals reported in the media. One of the local newspapers reports that 37 blue-collar and 11 white-collar employees are dismissed, and an additional 13 job reductions are carried out using early retirement arrangements (summing up to 61). In addition, the paper reports that some 50 workers who were hired through a job agency lost their jobs by the end of May (Västra Nyland, 2016; MTV,

2016; Yle, 2016 a, b). No further information is available beyond these 61 dismissals, so it is unclear how many job losses there were.

Employee representation at Fiskars

Transnational interest representation

No EWC is present at Fiskars.

Employee representation at Fiskars in Finland

The most relevant trade union is the Finnish Industrial Union which has a shop steward at Fiskars.

Consultation process linked to restructuring process at Fiskars

Based on the Finnish law (Act on Cooperation within Undertakings 334/2007), companies with at least 20 employees must inform and consult employees in matters such as dismissals, temporary lay-offs or other matters that may have an adverse effect on the employees. These employer-employee negotiations are called cooperation negotiations in Finnish (*yhteistoimintaneuvottelut*). The process starts with a written notification to the PES where the grounds for the proposed redundancies, the maximum number of proposed redundancies in each group of employees and the timing of the redundancies are laid down. Employees must also be given access to this information.

According to the acts on cooperation, information must be provided at least five days before the start of the cooperation negotiations.

Information and consultation take place during the cooperation negotiations which last at least six weeks. This is the minimum consultation period for cases where ten or more employees are affected and in this case, the initial maximum amount of dismissals was 107. The negotiations were held during March-May 2016.

In addition to financial support such as unemployment benefits, the redundant workers were covered by the 'change security' (*muutosturva*) scheme. This scheme lays down the rights and duties of dismissed employees as well as the role of PES and employers in the process. The scheme includes support already before the unemployment period begins with the aim to create smooth work-to-work transitions.

The local PES office met both parties at the beginning of the employer-employee negotiations and provided information about what kind of support and assistance is available for affected workers, and what the employer's obligations are.

When the negotiations were concluded, the local PES office organised an information event for the dismissed employees. Information about what kind of support and benefits they were eligible for and how they should proceed to be eligible for unemployment benefits was provided. These services include personalised employment plans drawn up together with the unemployed, advice and information on vacant positions and job seeking, training and skills development opportunities, etc.

In addition to the services provided by authorities, Fiskars decided to finance training/coaching aiming for re-employment for the dismissed employees, for the value corresponding to one monthly salary. This was organised by an external service provider.

Based on the Employment Contracts Act (55/2001), dismissed employees have the right to take fully paid leave for job search. The duration of the leave depends on the length of the notice period, being at least five working days and a maximum of 20 days.

Fiskars is economically important for Raasepori, the municipality where the affected site is. In 2017, the company paid €2.5 million in corporation tax to the municipality, being the biggest single contributor to this kind of revenue, according to local media sources (Yle, 2019).

Local politicians have commented the case by stating that a restructuring process with this number of dismissals hits the local area hard. The municipality has seen a negative demographic change in the last years: in 2012, the number of inhabitants was 28,800, decreasing to 27,600 in 2018. As no impact assessment on the effects on the local area is available, it is hard to estimate what the real consequences of the job reductions were. No follow-up has been made to assess to what extent the dismissed employees have found new jobs.

Employment statistics from the Ministry of Economic Affairs and Employment show that the unemployment rate in Raasepori was 12.9% in June 2016, and it has decreased each year since then, reaching 9.5 % in July 2019. These are slightly lower numbers than the corresponding figures for the whole country, but the downward trend since 2015 is the same (TEM, 2019) (comparable figures for Raasepori before 2016 are not available). This follows the overall recovery trend in Finland after the crisis in 2008: unemployment increased until 2015-2016, when the economic growth started again. In Raasepori, the employment rate started going up in 2015, reaching 72.3 % in 2017 (Statistics Finland, 2019).