

EUROPEAN INTEGRATION

breathe life into the existing treaties

- German employers are committed to **European integration** and the **Union's values** (article 2 TEU), which are more relevant than ever
- We employers want to promote the **objectives of the EU** (article 3 TEU): the internal market and a competitive social market economy, full employment, social justice as well as economic, social and territorial cohesion
- All action by the EU must rightly respect the principles of **subsidiarity** and **proportionality** (article 5 paras 3 and 4 TEU): decisions should be taken at the lowest possible level and close to citizens; they should not go beyond what is absolutely necessary
- Accordingly, the focus must be on **core tasks**: the EU should in future be active only where it can add value – it should be **big on big things and small on small things**
- The EU should speak louder with a **single voice** where necessary: majority decisions should be enabled in **foreign and security policy**. If the EU wants to play a role on the international stage, it must present itself as a single player. An individual Member State – even a large one – is too small on its own to address global policy issues on an equal footing with other players



SOCIAL PARTNERS

social dialogue as a driving force of the social market economy

- Under the EU treaties, a **particular role** has been allotted to the **social partners**: in accordance with article 154 TFEU, they must be consulted on new EU social policy legislation, and in accordance with article 155 TFEU they can conclude social partner agreements
- The **European social dialogue** is an **effective instrument** for actively helping to shape EU social policy and making a contribution to EU integration; the EU and the Member States can **further strengthen** the social dialogue and social partnership across Europe
- Europe **does not need fresh regulation** for a strong social dimension: the social partners know for themselves what is best for employees and businesses. They are united in the **aim of more employment and better qualification**
- A functioning social partnership needs **space to shape the world of work**, to create workable and targeted results with added value; they should **not be held back by politically inspired legislation** such as the proposal for a minimum wage directive
- The **duties of the Commission** regarding implementation of social partner agreements must be clarified and, if necessary, specified in law following the upcoming publication of the ECJ ruling so that the social partners are **not in advance prevented from concluding social partner agreements**



SOCIAL POLICY

leave competences with Member States and social partners



- The debate on a new **division of competences** between the EU and the Member States must be conducted honestly: in what areas do we want more Europe?
- **Social and labour market policy varies widely in the Member States** and has evolved in accordance with **national characteristics**. Europe is united on the goal of strong labour markets – the way to achieve this goal must not and cannot be decreed centrally
- That is why article 153 para 1 TFEU expressly stipulates that social policy remains the **competence of the Member States**: the EU shall only “support and complement” in clearly specified areas
- A number of **key areas** such as the fundamental principles and financial balance of national social protection systems are rightly excluded from EU competence – and this should continue to be the case
- The concrete legislative proposals for implementation of the **European Pillar of Social Rights** threaten to upset the delicate balance between the competences of the EU and those of the Member States: many of the Pillar’s principles blur the question of where specific responsibility lies and where the EU has treaty-based competences
- Plans to transform the European Pillar of Social Rights into a new “social rulebook” are misguided – **one-size-fits-all solutions** in such a widely diverse area **rarely lead to satisfactory results which are acceptable to all**
- Instead of statutory requirements, we should devise **flexible and practical measures** in order to enable fair inclusion in the world of work: flexible solutions tailored to the individual workplace for work-life balance and elimination of job stereotypes coupled with wider availability of childcare facilities and full-day schooling
- Given that competence lies primarily at national level, the European Pillar of Social Rights **must not be integrated in the treaties** and neither should a protocol on social progress be developed
- Some areas of EU social policy rightly require a **unanimous vote in the Council** – this serves to protect core national tasks. Qualified majority voting must not be extended to include these areas
- The following principles must prevail even more clearly in the future: **apply subsidiarity, respect national labour market and social policy**, and stay unambiguously within the limits of competence

SINGLE MARKET

towards the world's most attractive economic area

- The current discussion surrounding EU social policy fails to have at its heart the fact that a **flourishing economy** is the basis for a strong social Europe
- The objective must be to make the European single market the world's **most attractive economic area** and to strengthen **competitiveness**
- **Both workers and businesses gain** from being part of the single market and being able to exploit its possibilities. **A functioning single market with the four fundamental freedoms** is the cornerstone for jobs and competitiveness in Europe
- The single market helps **businesses** to sell their products, create jobs and invest, thus meeting **their responsibility vis-à-vis European society**
- **Individualistic national behaviour** which leads to fragmentation and protectionism damages the shared single market; **remaining obstacles** should be dismantled and **compliance with common rules** should be monitored

- An example: in the longer term, the rules governing **posting of workers** must be simplified across the EU through uniform, non-bureaucratic and digital provisions – the European Labour Authority (ELA) can also play a role in making information available; the conditions for derogations should be modernised and the labour legislation and social law requirements surrounding posting should be better interconnected
- New EU legislation must also encompass more strongly an **economic unleashing** and strengthening of the single market; the European Commission's most recent work programmes have comprised hardly any economic policy measures
- Following the COVID-19 pandemic, we must work to create more **economic dynamism, entrepreneurial freedom and space for innovations**; for example, the holistic approach of the new industrial strategy and its focus on dismantling all single market obstacles must be established in further economic policy areas
- The potential introduction of **border controls** in the **Schengen area** needs to be better coordinated; joint protection of external borders should be further strengthened



- The **Stability and Growth Pact** pursues the objective of a balanced budget policy and has also proved its worth in the COVID-19 crisis thanks to existing escape clause; even if the complexity of the overall package can be reduced, the underlying principles must not be brought into question

FREE MOVEMENT OF WORKERS

*facilitate free movement across Europe,
secure talent for the EU*

- **Free movement of workers** offers citizens in the EU many opportunities. In order to realise this for workers and employers, **mobility within the single market** needs to be strengthened, obstacles dismantled and information made available simply
- A **digitally supported EU social security pass** can facilitate cross-border mobility in a targeted fashion – the European Commission should present a concrete proposal and discuss it intensively with social partners and Member States
- Against the background of demographic change as well as the increasingly apparent shortage of skilled workers, the EU should further promote and facilitate **immigration of skilled workers from third countries** in a targeted manner
- The new „**Blue Card**“, as a European variant of the US „Green Card“, with its many simplifications for applicants, employers and authorities, shall now to unfold its full potential



EDUCATION

*master the digital transformation
by developing skills*

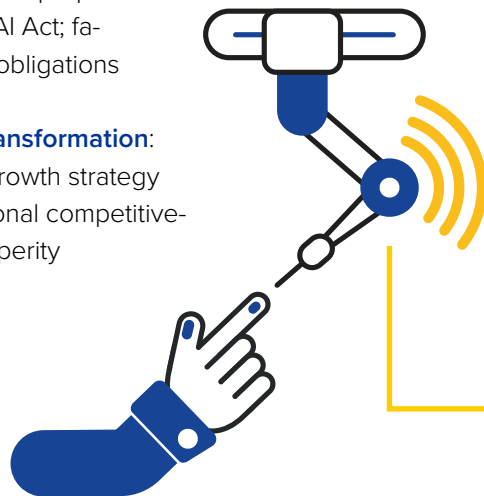


- The success of the European economy depends on the right **education policy**, i.e. on qualified workers as well as their ideas and innovations
- Europe needs **skills for tomorrow's world of work**: digital and cross-disciplinary skills should be developed and a spirit of enterprise should be promoted
- The wide range of European **training offers** and investments in **lifelong learning** must be fully exploited in order to support workers in the changing world of work: for example, by strengthening confidence in micro-credentials through EU standards
- Forward-looking training strategies must focus on improving the offer and increasing participation rather than on financing issues. For example, **individual learning accounts** are only one of many ways of providing further training
- **European cooperation** on vocational education and training should be continuously supported and further developed; **Europe-wide mobility** in the area of education should also be further strengthened and developed

INNOVATION AND DIGITALISATION

establish “Made in Europe” as a brand

- **Digitalisation** opens up numerous opportunities for companies and employees alike. We can shape the digital transformation in Europe actively and **for the benefit of all**
- New ideas find it difficult to thrive in old boxes: they need **space** and, where necessary, the **right support**; in concrete terms, this means that companies primarily need **flexible and innovation-friendly framework conditions**
- It is **important** to create a comprehensive and efficient digital infrastructure across Europe; put in place better conditions for company start-ups; deploy more EU investments in cutting-edge digital research; ensure a proportionate risk-burden balance in new AI Act; facilitate innovation instead of stifling obligations
- We want to secure a **sustainable transformation**: the **Green Deal** should become a growth strategy which not only guarantees international competitiveness but also creates jobs and prosperity



DEMOGRAPHY

secure prosperity across the generations



- We should underpin **intergenerational solidarity** and be open about the cost dynamic of national social protection systems in order to enable future-proof solutions; the EU should regularly present a report on whether national pension, health and care provision is adequately financed and what burdens will have to be borne in the future
- It must be made easier to **extend working life**: to this end, it is important to promote exchange of views and mutual learning based on Member States' innovative policy measures
- **Make the best of working life**: a long and satisfying professional career based on the right educational choices in early life, an ability to adjust to changes and a willingness to learn and retrain as and when necessary

INSTITUTIONAL MATTERS

transparent processes

for reliable law-making



- It is urgently necessary to improve the **transparency of law-making**: the framework conditions for the so-called **trilogues** or interinstitutional negotiations need to be codified and working documents published more promptly; **discussions in the EU institutions** should be made public to the greatest extent possible
- **Deadlines** for national parliaments to raise **subsidiarity objections** should be extended; national parliaments often have insufficient time to verify the content and legal basis for a new legislative proposal
- The EU and its Member States should ensure better **implementation and enforcement of the existing acquis**, for instance by drawing up guidance and greater use of implementation and expert groups
- The **rule of law** must be guaranteed throughout Europe: establish an evaluation mechanism for all Member States, rapidly draw up guidance for the conditionality mechanism governing EU subsidies
- The European Commission must carry out **consultations in a neutral manner and without prejudging the outcome**. Questions must not be drafted in such a way as to elicit the desired response; in addition, we need a transparent and more streamlined consultation process with clear criteria for the evaluation of results
- We need **clear criteria for the choice of legal basis**: where the EU treaties do not confer clear competences for a specific piece of legislation, the legal basis for other policy areas should be applied only in exceptional cases

DISMANTLING BUREAUCRACY

come forward with an unleashing package to unlock potential

- The **“one in, one out” principle** can ensure that citizens and businesses are not burdened by ever more red tape: if new regulatory measures impose new burdens, they should be dismantled elsewhere
- A **brake on red tape** must be enshrined **for all EU policy areas** – including social and labour market policy; **exceptions** from “one in, one out” should be framed **as narrowly as possible**
- The EU and the Member States should ensure that the **national transposition of directives** does not lead to serious differences and hence to an additional bureaucratic effort for companies and employees



Publisher:
BDA | DIE ARBEITGEBER
Confederation of German Employers' Associations
Breite Strasse 29, 10178 Berlin, Germany
T: +49 30 2033-0
www.arbeitgeber.de

Member of BusinessEurope

European Affairs
M: europa@arbeitgeber.de
T: +49 30 2033-1050

Version: July 2021