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.

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.
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.
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.

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**

**INSTITUTIONAL MATTERS**

**transparent processes for reliable law-making**