

Enabling quality jobs through competitive businesses

Position Paper on the second-phase consultation of the European social partners by the European Commission on the “Quality Jobs Act”

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This document has been machine-translated from German; the German version is available [here](#).

Summary

The “Quality Jobs Act” announced by the Commission must be consistently aligned with the EU’s own simplification and competitiveness agenda. However, rather than reducing existing EU burdens, it risks creating new ones. The stated target of reducing EU administrative burdens by at least 25% must also be achieved in employment and social affairs. So far, there have been no proposals to this end. The EU needs a genuine labour-market omnibus to deliver tangible relief for businesses and simplify existing rules. The Commission’s new regulatory plans for a “Quality Jobs Act” must not result in another burden package disguised as social policy. The package must support businesses in offering quality jobs within the EU. To this end, the “Quality Jobs Act” should meet the following requirements across the planned six dimensions:

- No additional regulation is needed for artificial intelligence (AI) and Algorithmic Management. Existing regulations, such as the GDPR, should be made easier to apply and implemented with legal certainty through practical guidelines tailored to new technologies.
- The Workplace Directive and the Display Screen Directive must be simplified and stripped of red tape. Liability and obligations must be strictly limited to those workplaces where employers actually have legal access and the power to shape working conditions. Rules on the right to disconnect and availability should be resolved at company level rather than through rigid bans or new obligations to provide evidence.
- The Commission must refrain from introducing new rules on subcontracting. Existing provisions are sufficient. They simply need to be consistently enforced and monitored by the Member States. Value chains must remain part of entrepreneurial freedom.
- Successful economic transformation cannot be achieved through regulation alone. It requires tailored, market-based solutions. Uniform European requirements would fail to reflect the diversity of transformation processes and would slow change.

- The enforcement of EU legislation is the responsibility of the Member States: weaknesses in labour inspections and among public authorities must be addressed. Practical and proportionate legislation facilitates enforcement.
- Social partner agreements must always take precedence over new EU regulations. These enable targeted, practical solutions for the world of work. Social partnership thrives on voluntary participation, autonomy and practical relevance. It is not an implementation instrument for new EU obligations.

In detail

European businesses face rising costs, complex requirements and growing international competitive pressure. In this situation, the European economy needs one thing above all else: greater competitiveness and less red tape. “Quality jobs” are not created by new requirements, but by competitive businesses. Sound framework conditions foster growth, productivity and employment. The “Quality Jobs Act” can only contribute to quality employment if it strengthens businesses rather than imposing additional burdens. The same principle must apply across all six dimensions: existing rules must be simplified, applied consistently and enforced effectively.

Use of AI – promote rather than hinder

There is no need for additional regulation of AI and Algorithmic Management. Existing rules should be made easier to apply and implemented with legal certainty through practical guidance. New binding EU rules on AI and Algorithmic Management systems at work would create additional barriers to the introduction and use of using these new technologies, thereby undermining innovation and competitiveness in Europe. AI and at work are already regulated by numerous EU and national rules, such as the AI Act, the GDPR, the Platform Work Directive, information and consultation rights, and labour law.

Businesses must be able to use digital technologies and AI in a straightforward, legally compliant and productive manner. The priority must be to reduce red tape and dismantle multi-layered regulatory barriers, rather than creating additional regulatory structures. With the AI Omnibus, the Commission itself has recognised that the existing legal framework must be simplified and made more practical. Targeted guidance on the application of existing law is required. However, this approach must not result in a covert expansion of existing obligations.

Combining AI and Algorithmic Management in a new legislative initiative would be an excessively broad approach. It would encompass numerous established, non-AI-based management practices and create unnecessary legal uncertainty for businesses. EU regulation would interfere deeply with workflows that have evolved and been tried and tested within businesses over decades. A clear distinction must be made between AI-based and non-AI-based digital applications. Digital control or planning systems are generally not AI-supported. Algorithmic Management encompasses a wide range of applications, from simple workforce resource planning to more complex data-driven systems.

Furthermore, to ensure a uniform, business-friendly environment across Europe, there must be no gold-plating in the Member States. Any attempts to pursue special national approaches must be clearly rejected. In implementing the rules, the Commission's AI Office should ensure coherence between national measures and the EU-wide regulatory framework. Collective agreements or works agreements are best placed to reflect national and sectoral needs.

Social partner arrangements such as the EU social partners' framework agreement on digitalisation provide appropriate guidance for the use of AI at work, for example regarding skills development, transparency, the human-in-control principle and worker protection. Approaches developed through social dialogue are more responsive, more nuanced and more closely aligned with practical realities than rigid legal requirements. Last but not least, they foster social acceptance, which is crucial when it comes to the use of AI at work.

Enabling a modern EU occupational health and safety framework

It makes sense to integrate the Display Screen Directive into the Workplace Directive, following the German model. In this way, display screen work is regulated as an integral part of the working environment and embedded within the overall context of the workplace. A uniform regulatory framework reduces red tape and makes occupational health and safety legislation simpler and more user-friendly. However, this must not result in outdated detailed requirements simply being transferred to a new instrument. This is particularly crucial for small and medium-sized enterprises.

Psychosocial and ergonomic risks must not be used as a pretext for new stand-alone European regulation. The existing occupational health and safety framework already comprehensively covers workers' health and safety. What is needed is clear guidance, practical implementation and a clear limitation of employers' responsibilities to factors that can actually be influenced. In addition, the EU Framework Directive already contains a comprehensive duty on employers to protect workers' health and safety in every aspect related to work. It therefore also covers psychosocial and ergonomic risks without the need for additional specific regulations.

Nor must a European right to disconnect create additional working-time bureaucracy. It must not be designed either as a rigid ban on availability or as an additional documentation requirement. Rules on working time and rest periods already exist; what matters is their practical application. International, project-based and client-facing forms of work, in particular, require flexible organisational solutions at company level. A right to disconnect must not be conflated with a right to mobile work or telework.

In many businesses, mobile working arrangements have proven their worth for years, underpinned by trust, personal responsibility and social partner solutions. Anyone wishing to ensure work-life balance, participation and competitiveness must allow scope for tailored solutions, such as working from home. A modern occupational health and safety policy sets clear limits on liability, defines practicable obligations and enables businesses to fulfil their responsibilities realistically and effectively. The flexibility of mobile work in practice must not be undermined by rigid EU minimum requirements which, in effect, only permit traditional office workplaces. That cannot be in the interests of employees.

Mobile work is not a new form of employment; existing protective regulations have long covered it. New regulations at European level are therefore not necessary. In the case of mobile work, occupational health and safety obligations remain in place. Workers must likewise fully comply with their duty to cooperate and take personal responsibility for their own health and safety. It therefore makes sense to reaffirm the provisions on worker responsibility set out in the EU Framework Directive on health and safety at work.

Assessing every home workspace individually would create additional administrative burdens for businesses and workers. This could lead to businesses being more reluctant to allow working from home and workers making less use of it. Instead, the key factors are the actual risks associated with mobile work and the extent to which the employer can influence and access the place of work. There must be sufficient flexibility for implementation in practice, and workers' duties to cooperate should be addressed.

Simplifying mobile work means placing responsibility for occupational health and safety only where employers can actually act. Modernising the European Workplace Directive and Display Screen Directive must therefore not extend liability. Employers can ensure occupational health and safety only where they have access, knowledge and control. Imposing additional liability for locations outside a company's legal control is neither appropriate nor compatible with constitutional requirements.

Retaining subcontracting as a tool

The Commission must refrain from introducing new binding EU requirements on subcontracting, both in public procurement law and in private contractual relationships. Existing European and national requirements already protect workers comprehensively; what is crucial is their consistent enforcement by the Member States through risk-based inspections, better cooperation between authorities, interoperable digital tools and targeted action against specific indicators of abuse.

Shortcomings in enforcing existing rules do not justify new legislation. Subcontracting is an indispensable component of modern value creation. It enables businesses, especially SMEs, to deploy specialised expertise flexibly, to operate more efficiently and to remain innovative. Subcontractors take on contracts that a business could not manage on its own, create jobs and thereby strengthen Europe as a business location.

Regulations that impose blanket limits on subcontracting chains would destroy established business models and hit SMEs particularly hard. They interfere with the freedom of contract and occupational freedom. Joint and several liability along the subcontracting chain is disproportionate and creates incalculable risks. Yet effective instruments already exist: Article 12 of the Enforcement Directive on the posting of workers (2014/67/EU) and Article 71, in conjunction with Article 18(2), of the Public Procurement Directive (2014/24/EU) regulate liability and monitoring in subcontracting chains in public procurement. The Member States have already implemented these EU requirements in line with their respective national circumstances and practical needs.

Abuse in subcontracting chains must, however, be tackled consistently. The correct answer, however, lies in targeted enforcement against entities that do not comply with the law — not in imposing new blanket burdens on law-abiding companies. To date, the Commission has not provided conclusive evidence that the existing European and national instruments are structurally inadequate.

The European Parliament also recognised this in its own-initiative report (2025/2133(INI)) from February: it called neither for a binding directive nor for limits on subcontracting chains and expressly acknowledged the added value of subcontracting, particularly for SMEs. Where abuses arise, this is due to a lack of enforcement, not a lack of regulation. It is up to the Member States to act here, not the EU legislator.

Particularly problematic is the proposed use of collective bargaining coverage or the degree of coverage by collective agreements as a criterion for so-called high-risk sectors. Such a link would call into question neutrality towards different national industrial relations systems, undermine collective bargaining autonomy and place law-abiding businesses in certain sectors under a blanket suspicion of abuse.

Enabling “just transitions” through pragmatic, market-based approaches

The EU economy is under pressure and therefore faces enormous challenges. But economic transformation cannot be regulated into existence. It is a dynamic process that thrives on businesses’ adaptability and willingness to take risks, neither of which can be imposed by the state. In the spirit of the social market economy, a “just transition” — to use the Commission’s term — can only succeed if businesses have the freedom to invest on their own, to develop bold new solutions and to act flexibly.

What is needed are framework conditions that enable and accelerate change; rigid regulations merely act as a brake. After all, transformation processes are as diverse as the sectors, regions and business models themselves. They require market-based solutions that take the relevant economic context into account. Uniform European requirements would fail to reflect this diversity and would slow down the transformation process. The Commission itself acknowledges that further legislation in this area could create overlaps and make tailored solutions more difficult.

It is particularly important that skills development and transformation measures are tailored to the needs of individual businesses, regional labour markets and actual skills shortages. New individual entitlements or general employment guarantees would fail to meet these needs but would instead complicate procedures and tie up resources.

The EU already has a comprehensive set of rules governing restructuring, as well as employee information and consultation — including the directives on collective redundancies, transfers of undertakings and workplace information, as well as the European Works Councils Directive, which was reformed in 2025. These existing rules must be simplified and consistently implemented. This would particularly help young businesses and innovative SMEs that are driving change with courage and speed. Only in this way can businesses and workers navigate these changes in an economically sustainable and competitive manner.

The EU should support transitions pragmatically, for example through guidance that makes existing legal frameworks and funding instruments, such as the Just Transition Fund and the Social Climate Fund, more visible. By contrast, new information obligations, mandatory social partner procedures or extended individual workers' rights that interfere with the autonomy of the social partners and businesses' freedom to shape their operations are not helpful. New social conditionalities linking access to funding to additional requirements must also be avoided. Such requirements slow processes and increase costs without delivering genuine added value for workers. Competitive businesses are needed to safeguard quality employment and advance a just transition.

Successful enforcement starts with good legislation

Those who comply with the rules must not face additional burdens. Authorities must take action against abuse and sanction only those who fail to comply with the rules. Enforcement problems often have a much deeper root: employers and workers frequently face legal uncertainty or overlapping regulation when seeking to comply with complex requirements. Public authorities do not provide enough information on which rules apply, to whom and how. Businesses can only comply with requirements if they are clear and practical.

This requires, above all, a better-organised EU legislative process resulting in clear and coherent EU law. It is equally essential to structure the legislative process in such a way as to avoid unnecessary or disproportionate red tape right from the preparatory and negotiation stages through to implementation. To this end, the Commission must conduct earlier, more coordinated and more transparent consultations and present robust impact assessments. Special consideration should be given to social partners, and they should be more closely involved even in purely economic legislative initiatives. The 'one in, one out' and 'think small first' principles must be applied consistently. Significant changes in the legislative process require updated impact assessments. During implementation, Member States must avoid gold-plating and give businesses sufficient time to comply with statutory obligations.

However, it is the Member States that are responsible for enforcing EU regulations. The EU can only provide support, for example by facilitating the exchange of good practice. Labour inspections play a central role in ensuring that existing labour laws are effectively applied. Across Europe, shortcomings in public authorities must be consistently addressed. Digital tools can facilitate enforcement if they are interoperable, build on existing national systems and respect the once-only principle. They must not lead to additional reporting, registration or documentary requirements for law-abiding businesses. The Commission should not respond to enforcement shortcomings by imposing new EU obligations.

Give priority to social partner agreements over new EU regulation

Social partner agreements are not a precursor to regulation, but an autonomous and often better response to workplace and sectoral challenges. They are more practical, more flexible and better tailored to the differing circumstances in the Member States than rigid EU requirements. This is conditional on the autonomy and diversity of national systems remaining intact. The Commission should strengthen social

dialogue rather than stifle it with new EU obligations. Social partners can also support the effective implementation of existing rules – but to do so, national social partners must be given greater scope. The Council Recommendation on strengthening social dialogue in the EU obliges Member States to actively promote social dialogue and support collective bargaining.

The Commission must honour the commitments it made in the Pact for European Social Dialogue and the Council Recommendation. Each measure must be taken at the appropriate level: social partners must be involved at an early stage in the design and implementation of relevant regulatory measures, including within the framework of the European Semester, and social dialogue must be promoted politically, administratively and financially. Where the European social partners jointly identify clear added value, voluntary agreements can be useful. However, they must not replace public enforcement of rules or indirectly drive new regulation. The voluntary nature of social dialogue, the autonomy of the social partners and the diversity of national industrial relations systems must remain fully respected.

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