

NEW ERA

21 problems, 21 solutions:
Good EU policy for people and businesses



WIRTSCHAFT

FÜR EUROPA

KURSWECHSEL FÜR EINE BESSERE EU

A change of course for a better EU



Foreword President of the German Employers

The world has changed radically since the European Parliament elections in 2019: Europe is being challenged in many new ways – both from within and from outside. At the heart of Europe, Russia is waging a war of aggression against Ukraine with far-reaching consequences for energy prices and value chains. The EU is losing competitiveness *vis à vis* other economic blocs. And on top of this come challenges such as irregular migration and climate change.

Against this backdrop, we need a functional EU with simpler decision-making processes, a strong economy and a stronger focus on the major tasks of the future of Europe.

We cannot afford “business as usual” in the coming legislature. We need a change of course for a better EU. **Europe’s strategic competitiveness must be our guiding principle.** For this purpose, we must revitalise the strengths of the EU: the Single Market and our joint action at global level.

To achieve this, the EU needs a new sense of reality for its economic and social policy: without competitive companies, there will be no good jobs, no stable social security systems, and no necessary investment in structural changes. **The reduction of EU bureaucracy must finally reach companies.** Instead of overly detailed regulation, we must pursue a genuinely progressive policy.

Employers in Germany stand for pro-European forces in the European Parliament elections. **We want to play a constructive role in shaping the future of Europe and fulfil our special role as social partners.**

Our appeal to the newly elected Members of the European Parliament: Work closely with us on a Europe that strengthens its strategic competitiveness, tackles skills and labour shortage, completes the Single Market with functioning labour mobility and delivers concrete results through better decision-making.

Based on our vision of a strong and competitive Europe, we propose concrete solutions in 21 areas.

Let’s work together on good European solutions for a new era!

Dr. Rainer Dulger

#WirtschaftFürEuropa

Key demands

for the EU legislative period 2024–2029

Europe's future: achieving greater competitiveness and shaping it with effective policy tools



- Stick to the principles of “one in, one out” and “Think Small First” in all EU initiatives
- Apply impact assessments to all steps of the EU legislative process
- Introduce a competitiveness check for all EU legislative initiatives
- Improve supervision of delegated acts
- Make trilogues more transparent and improve access to documents

A functioning Single Market: reducing complexity in labour mobility and enabling flexibility



- Introduce a standardised EU-wide digital posting declaration and reduce reporting and documentation obligations
- Provide clear information on posting of workers in multiple languages
- Exempt short normal business trips from the A1 obligation
- Simplify social security rules for cross-border mobile work
- Improve access to information by extending the role of the European Labour Authority (ELA)

Strategic competitiveness: preventing bureaucratic burnout and removing barriers to modernisation



- Reduce reporting obligations by legislation and make them comprehensible
- Revise the Corporate Sustainability Due Diligence Directive and keep the Single Market intact
- Fully exploit AI potential and do not hamper it through EU legislation
- Implement the Working Time Directive in line with the modern world of work and adapt it in the medium term
- Ensure compliance with EU fiscal rules and prevent fiscal risks

Skilled labour for Europe: attracting talent and securing future skills



- Create an EU visa for founders
- Better attract foreign job seekers through an EU Talent Pool
- Ensure ambitious transposition of the EU Blue Card
- Facilitate migration into employment and training
- Simplify the recognition of foreign qualifications across Europe
- Develop a European strategy for entrepreneurial skills

The future of Europe:

Achieving greater competitiveness and shaping it with effective policy tools



Goal:

We want a European Union that tackles the major challenges with the right political means and creates a solid foundation for Europe as a business location.

1 Putting the brakes on EU bureaucracy: Establish a uniform “one in, one out” approach

EXAMPLE

The “one in, one out” principle is intended to ensure that the **bureaucratic burden for citizens and businesses does not go up**: If new legislation introduces new burdens, these must be reduced elsewhere in return.

PROBLEM

The introduction of the “**one in, one out**” principle is **progressing very slowly** – in 2022, the principle was applied to only 52 of 102 legislative proposals, with potential for savings found in only 30 of these proposals.

- **Slow progress, divergent approach:** Despite political promises, the principle has **still not been fully applied**, and some areas such as social affairs have even been **exempted up front**.
- **Hardly noticeable in operational reality:** The **bureaucratic burdens** imposed by EU legislation are **increasing** – despite political announcements to the contrary.

SOLUTION

- **Prioritise the reduction of bureaucracy:** The “one in, one out” principle must be **anchored in all EU policy areas**; **exceptions** to the scope of application should be as **narrowly** defined as possible.
- **Introduce necessary extensions:** In addition, the “**once only**” principle should always apply and digital tools should support compliance with necessary formalities.
- **Strengthen coordination in the EU:** There are **various initiatives** to reduce bureaucracy in almost every EU Member State; the **Member States** must co-operate better with the European institutions.
- **A uniform approach to national and European bureaucracy reduction:** For example, through the EU-wide standardised **calculation** of compliance costs.
- **Ensure result monitoring:** Bureaucratic **easing** with regard to EU legislation must materialise at **operational level**.



In **45%** of all impact assessments in 2022, the costs of “one in, one out” were insufficiently determined.



2 Strategic competitiveness: Assess the impact of EU legislation in advance

EXAMPLE

Several EU legislative acts are prepared and adopted **independently of each other**.

PROBLEM

The **actual, combined effects** of legislative proposals at EU level are **hardly ever assessed** – these can be completely different from the intended consequences.

- **Lack of a holistic overview:** The **cumulative effects** of several laws are often not assessed or measured even in inter-connected policy areas, which leads to **extensive bureaucratic requirements** caused by parallel legislative acts.
- **New proposed amendments:** Impact assessment **only** takes place **at the beginning** of the legislative process, but massive **changes** are often **proposed** later in the legislative process, the **consequences** of which remain **completely unclear**.
- **Well-known problem:** The EU Regulatory Scrutiny Board expresses misgivings **most frequently about the lack of scrutiny** of the economic, social and competitiveness impacts.

SOLUTION

- **Make impact assessment the standard procedure:** It should be **applied without exception** to all **Commission proposals** and to significant **changes** proposed by the Council and Parliament in the legislative process.
- **Strictly adhere to quality requirements:** Impact assessments must always be **empirically and quantitatively substantiated**.
- **Introduce a competitiveness check for all future EU legislation:** All impact assessments should assess effects on competitiveness more concretely and take into account **cumulative effects** of parallel legislation.
- **Take the new focus on competitiveness seriously:** The proposals of the **EU's independent Regulatory Scrutiny Board** must be **followed**.



34%

of the first opinions on impact assessments in 2022 were inadequate.

3 “Think Small First”: EU legislation must prioritise SMEs

EXAMPLE

A **family business with 80 employees** is a **supplier** of goods and services to a DAX (German stock exchange index) company that operates across borders.

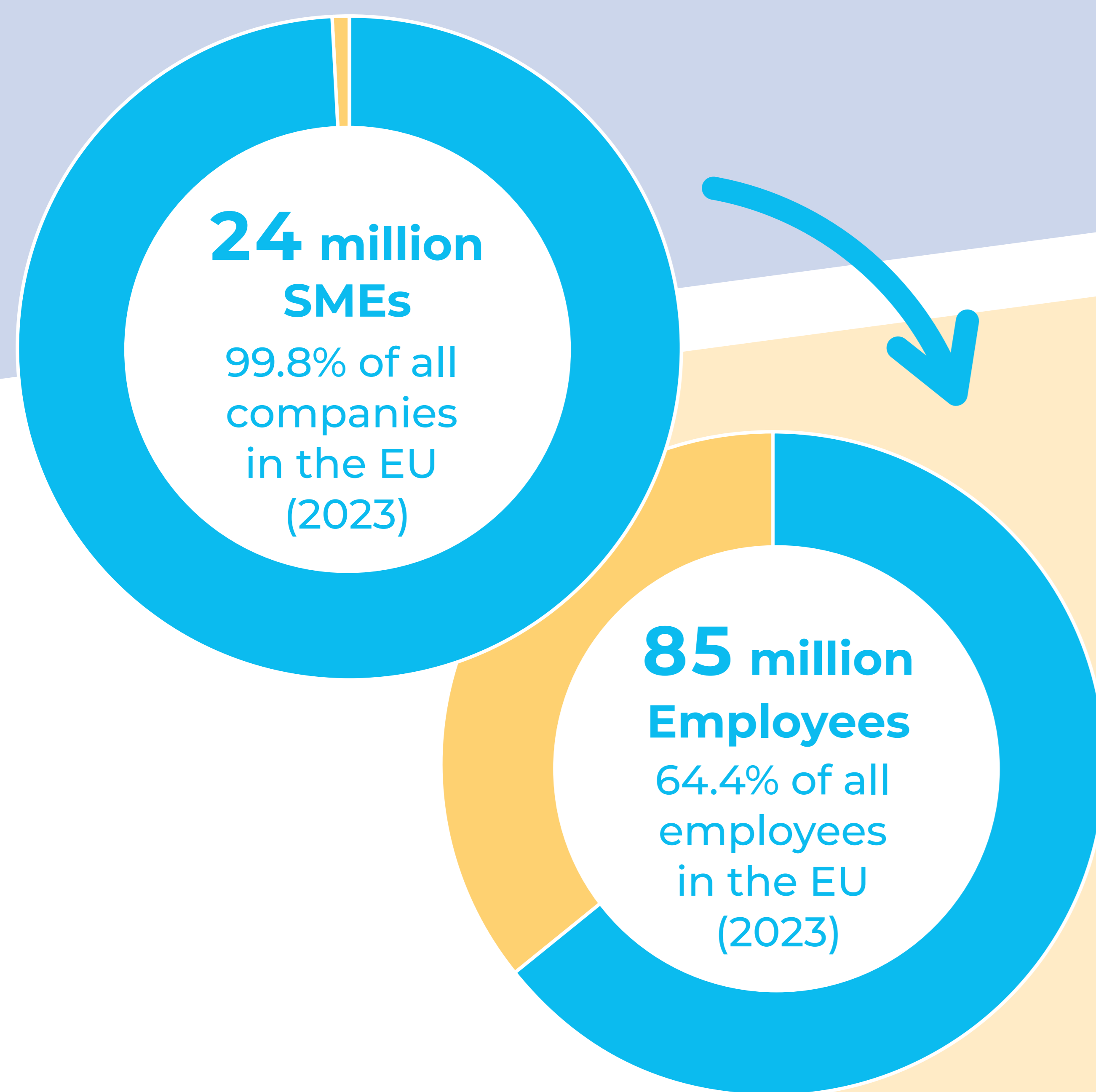
PROBLEM

The **lack of an SME perspective** in the legislative process often leads to **unexpected consequences** for SMEs.

- **Indirect impact:** SMEs are often indirectly affected by legislation, even if they are **not themselves the subject** of legislation.
- **Customer relationships as justification:** For example, SMEs may face **indirect reporting requirements** resulting from relationships with suppliers, as mandated by the Corporate Sustainability Reporting Directive (CSRD), Taxonomy Regulation and Corporate Sustainability Due Diligence Directive.
- **Consequences for competitiveness:** The additional burden leads to a **shortage of human resources** for innovation, research and production in SMEs.

SOLUTION

- **New mindset for legislation:** The **“Think Small First” principle** must be consistently applied; **appropriate SME participation** must be ensured through longer consultation periods and comprehensive consideration of **feedback** from SME organisations.
- **Respect EU Treaty limits:** EU institutions must ensure that EU social legislation does **not hinder SMEs** – as laid down in Art. 153 of the Treaty on the Functioning of the EU.
- **Strictly comply with the SME test:** The impact assessment must **rigorously assess the impact on SMEs**; this should include running costs and one-off adjustment costs, taking into account indirect effects and distinguishing between different sizes of SMEs.
- **Utilise institutional changes:** The new EU SME Envoy must take office as soon as possible and coordinate all SME relevant dossiers in all Directorates-General of the EU Commission; the **EU SME Envoy** should be appointed as a **full member of the Regulatory Scrutiny Board** with voting rights, mere consultation rights are not enough.



4 Increasing democratic scrutiny of delegated acts: Restore competence to co-legislators

EXAMPLE

Extensive **details of EU legislation** (“delegated acts”) are formulated **in separate procedures** outside the regular legislative process with only **limited democratic scrutiny** by the European Parliament or the Council of the EU.

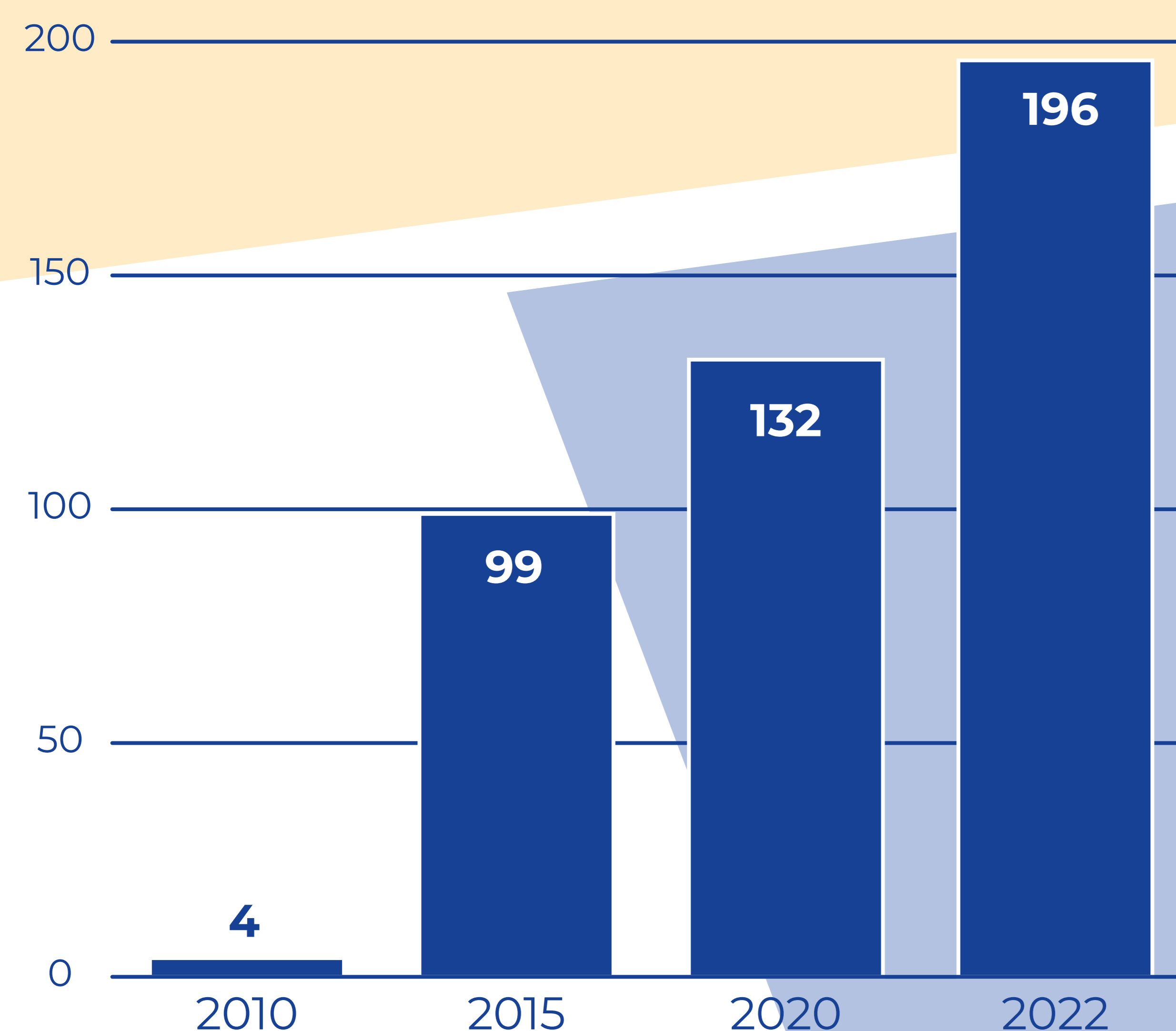
PROBLEM

The number of delegated acts is constantly **increasing**, which means that **complex political decisions** are increasingly being made **without reliable democratic scrutiny**.

- **Extended focus:** Delegated acts should address **technical specifications**, but in recent years they have also applied to **other areas**.
- **Theoretical self-restriction:** The Commission may only **adopt non-essential parts of the legislation** via delegated acts but judges this step alone.
- **Lack of scrutiny:** The **legislative institutions** can only reject or accept the Commission proposal but **cannot amend its content**.
- **No prior check:** Very few delegated acts are subject to an **impact assessment**.

SOLUTION

- **Questioning the approach:** The EU institutions should consider more carefully – already during **the ordinary legislative process** – in which areas an authorisation for delegated acts is **necessary**.
- **Exercise a stronger scrutinising function:** The Parliament and the Council must deliberately and more frequently **revoke the Commission’s authorisation or not adopt it in the first place**.
- **Deliberate approach:** In addition, the Parliament and the Council must **reject** delegated acts more frequently if there are doubts as to whether the proposal affects **only non-essential elements**.
- **Assess impacts in advance:** Delegated acts must also be subject to an **impact assessment**.



Number of delegated acts adopted

5 Increasing the transparency of EU legislation: Make decisions openly, provide access to documents

EXAMPLE

The EU institutions **agree on EU legislation** in an **informal** procedure (“trilogue”) which is not regulated by EU law and **closed to the public**.

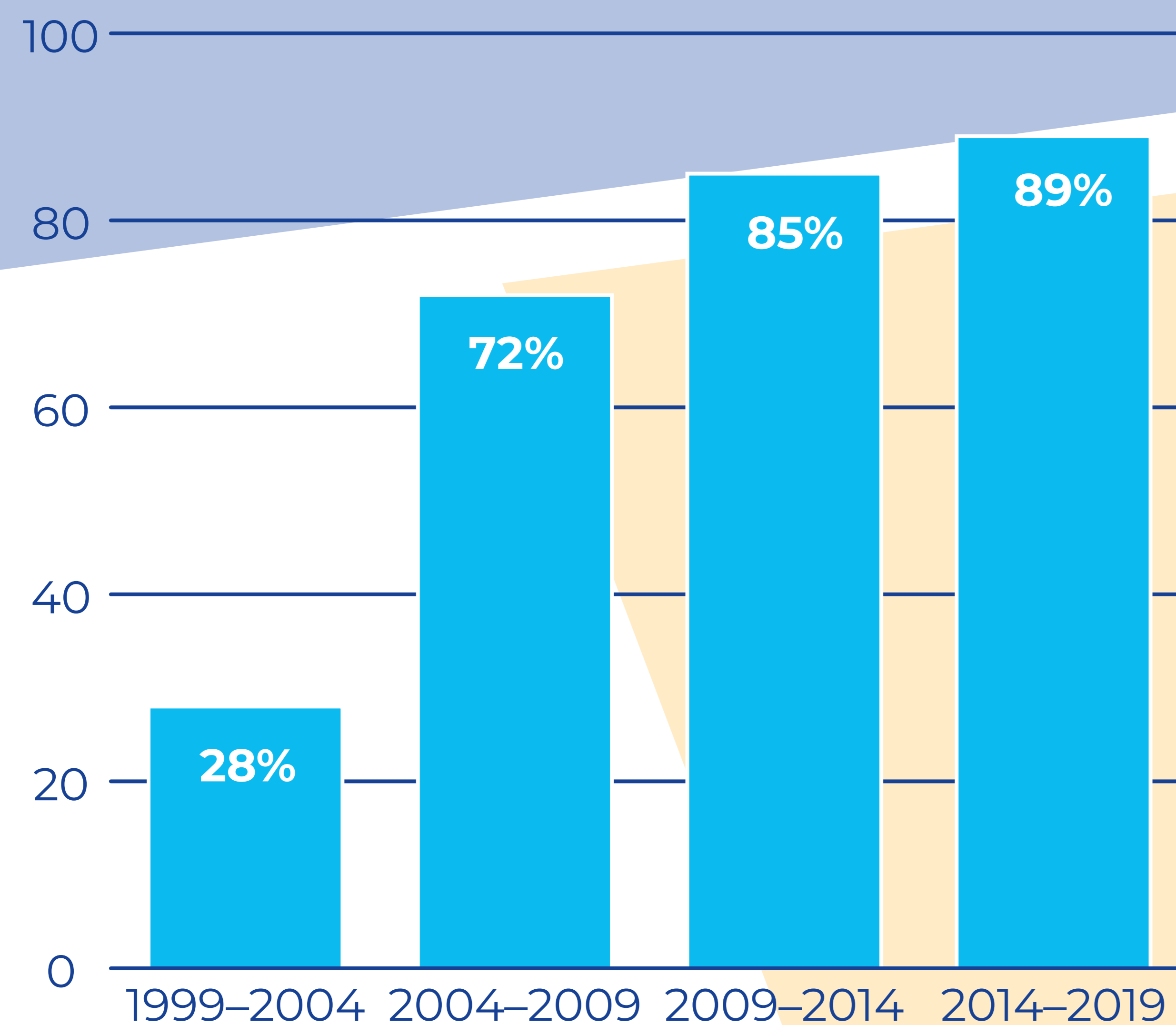
PROBLEM

The **procedure** behind closed doors completely excludes **observers and social partners**; a legislative process without broad public participation hardly leads to balanced results.

- **Exclusion of information:** Even **basic information** on trilogue meetings is **not published** – often **only the date** is made available.
- **No access to important documents:** Many relevant documents on legislative procedures are **published at a later stage** – or **sometimes not at all**, if it does not directly concern the finalised legislative act.
- **Request for document access necessary:** Some documents are **only accessible after an explicit request** – and even then not in full.

SOLUTION

- **Publish information:** The public must be informed about **ongoing trilogue negotiations and results**, in particular through access to the so-called four-column document, agendas and minutes, as well as through the delay-free publication of negotiation results.
- **Ensure access to documents:** The **outdated EU Regulation (EC) 1049/2001** on public access to documents should be **revised** and brought into line with the latest **CJEU case law**, including for non-legislative documents.



Proportion of legislative acts adopted in trilogues

Strategic competitiveness:

Preventing bureaucratic burnout and removing barriers to modernisation



Goal:

We want to strengthen Europe's strategic competitiveness and remove harmful obstacles in order to secure economic growth, jobs and resilience in the long term.

6 EU reporting obligations: Increase corporate sustainability through simplification

EXAMPLE

An **EU company with 250 employees** offers its goods and services within the EU.

PROBLEM

The company is facing major difficulties due to **complicated, uncoordinated, and unpredictable reporting obligations**.

- **Duplications and overlaps in the area of social sustainability:** According to the **Pay Transparency Directive**, the company must report on the gender pay gap in their organisation; there are similar requirements in the reporting standards of the **Corporate Sustainability Reporting Directive**.
- **Straining operational resources and capacities:** Adjusting reporting processes to the new requirements is difficult and costly, especially for companies reporting for the first time – many companies have to **hire expensive external consultants**.
- **Lack of clarity and legal certainty:** Companies do not know how they can **check and prove compliance** with the vaguely formulated minimum social safeguards of the Taxonomy Regulation.

SOLUTION

- **Reduce reporting obligations by legislation:** Future EU legislation must **reduce** complexity and **simplify** existing requirements; the EU Commission's goal of **reducing reporting obligations by 25%** needs to be achieved through concrete measures.
- **Focus on business practice and SMEs:** The reporting obligations must be **simple, understandable, and easy to implement**; companies must be able to fulfil them **without external service providers**.
- **No further layer of complexity:** Guidelines or FAQs must always be consistent with the legal text and must **not create any additional layer of interpretation**.
- **Create an EU-wide standardised reporting portal:** The sustainability reporting obligations should only be implemented after the introduction of ESAP (**European Single Access Point**) in order to avoid **double adjustment costs**.
- **Introduce a regulatory breathing space:** **Extend implementation deadlines for companies**, also due to already occurred delays in the legislative process.



7 Parallel supply chain obligations: Overregulation is a global competitive disadvantage

EXAMPLE

A **company** often has to fulfil **many** comprehensive **supply chain obligations** from **parallel EU legislation** on the same subject.

PROBLEM

New EU legislation is pursuing the same goal with escalating requirements, the Corporate Sustainability Due Diligence Directive and the Forced Labour Regulation create **new types of trade barriers**.

- **Major administrative challenges: SMEs** in particular are indirectly affected as part of supply chains and have no resources for a thorough legal review of comprehensive due diligence obligations.
- **Disproportionate burden in global comparison:** Bureaucracy, **unclear and vaguely formulated obligations** and the associated **risks** jeopardise the **competitiveness** of European companies.
- **Threat of fatal consequences for the European Single Market:** Differences in the national implementation of EU directives can lead to companies being subject to **different requirements in each Member State**.
- **Additional burden:** According to the Forced Labour Regulation, the company could be obliged to **remove its product** from the entire Single Market and **bear the economic costs** for the removal – a **disproportionate burden**, especially for SMEs.

SOLUTION

- **Revise the Corporate Sustainability Due Diligence Directive:** Introduce legally secure and manageable **due diligence obligations** and a more **manageable list** of protected goods; focus on **the parts of a supply chain** that can actually be monitored (direct suppliers); introduce a maximum degree of EU-wide harmonisation; ensure protection of **SMEs**.
- **Ensure a level playing field in the Single Market:** National implementation must **not go beyond the requirements** of the Directive in key areas.
- **Do not fail companies:** Under the Forced Labour Regulation, Member States must **support companies in removing products** from the Single Market, and there should also be compensation for **SMEs**.



8 Digitalisation in the world of work: Shape AI policy wisely

EXAMPLE

A company wanted to introduce an **AI system** in its **HR department** to **simplify the application process**.

PROBLEM

The employer is **deterred** by the **provisions of the European AI Act** and does not know how the deployment of the system in the company could be organised in a manageable way.

- **Legal uncertainty:** For many deployers, it is **unclear** whether their AI system for use in HR falls under the high-risk classification of the AI Act.
- **Necessary guidance:** Particularly SMEs can hardly ensure a **legally compliant use of high-risk AI** in HR without external help.
- **Consequences for the Single Market:** Uncertainties regarding the classification into the risk categories and additional filter criteria can create **market entry barriers** and hamper innovation.

SOLUTION

- **Realise the full potential of AI across Europe:** Increase innovation, growth, productivity and job creation with a **smart legal framework**.
- **Urgently clarify EU legislation:** Provide clear guidelines on the practical implementation of the additional filters in the risk classification of high-risk AI systems from Annex III; **ensure unbureaucratic risk assessment by deployers**.
- **Provide legally sound information:** Create **counselling centres** for companies that use AI and integrate them into existing services that provide clear information on the obligations and requirements for deployers.

79%

of Venture Capitalists fear that the AI Act will reduce the competitiveness of European start-ups in AI.

16%

of AI start-up founders are considering suspending AI development or relocating to countries outside the EU.

50%

of start-ups think that the AI Act will hamper AI innovation in Europe.

9 Modern working time law: More flexibility in favour of a new world of work

EXAMPLE

A company wanted to enable its employees to **work flexibly throughout the day** to make it easier to **balance work and private life**.

PROBLEM

The Working Time Directive is based on **traditional working time models** and **fixed work locations**.

- **Obstacle to modern work organisation:** Rigid regulations prevent the **benefits of digital forms** of work and a **better work-life balance** – for example, starting work at 8 a.m. is not allowed if even a single e-mail was sent at 10 p.m. the night before.
- **Flexibility of the Directive not fully utilised:** Member States can allow exemptions from certain provisions, such as daily rest periods, to be introduced by collective agreements – this has to date **hardly been used** in Germany.
- **Additional complexity due to case law:** The many CJEU judgements on details of the Working Time Directive can render parts of existing national legislation or collective agreements **null and void** and lead to **legal uncertainty**.

SOLUTION

- **Advance national reforms with European recommendations:** As a first step, the EU Commission should propose **adaptions to the national implementation act** within the framework of the European Semester or as part of revision of the national recovery and resilience plan.
- **Encourage greater flexibility in collective agreements:** The EU institutions should **encourage** Member States to **widen the scope for allowed exemptions via collective bargaining** in order to realise a modern world of work.
- **Revise the EU Working Time Directive:** In the medium term, a **tailor-made revision** is to be initiated in order to create **more legal certainty** – in particular by a clarification in Art. 17 para. 1 that the Member States can also authorise deviations for **employees with trust-based flexitime** and for **mobile working**.

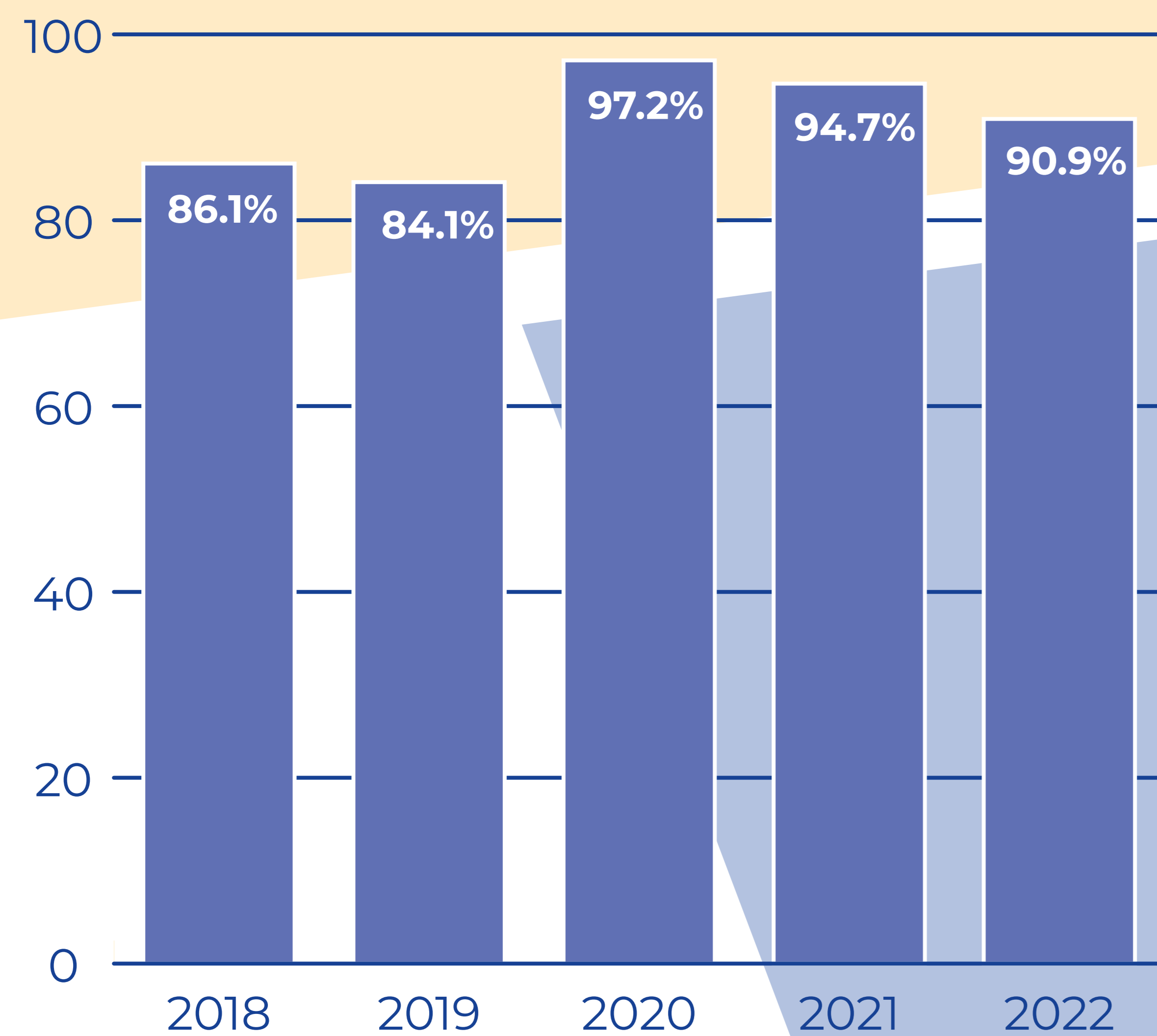


10 Sustainable fiscal policy:

Secure the basis for competitiveness through stable finances

EXAMPLE

At the end of 2022, the **public debt ratio in the eurozone** was at 90.9% of gross domestic product (GDP), a significant deviation from the 60% target.



Development of government debt in the eurozone (Euro 20) in relation to GDP

PROBLEM

The **development of the overall debt level** has an inevitable impact on national budgetary policy and the stability of the eurozone.

- **Necessary long-term flexibility: Reducing fiscal deficits** and the **overall debt level** is essential to create long-term fiscal buffers for future generations.
- **Sluggish realignment:** The costs of the green and digital transition require **increased reform efforts** and a **forward-looking approach** to national budgetary policies.
- **Risk of disparate treatment within the Economic and Monetary Union:** The newly agreed EU fiscal rules include a **debt sustainability assessment** for each Member State, serving as basis for the respective **national debt reduction plan**.

SOLUTION

- **Strict adherence to binding rules:** Budget consolidation must **not be a matter for negotiation** in an Economic and Monetary Union; the **Maastricht criteria** must continue to apply.
- **Consider a motivating approach:** Instead of sanctions for non-compliance, **positive incentives** should be created if government debt is repaid more quickly, for example earlier payment from the Cohesion Funds to support Member States in their investment endeavours.
- **Prevent fiscal risks: Monitor** national budgetary policy **more closely** in advance **through the European Semester, involve social partners more closely**, particularly when identifying useful investments.

A functioning Single Market:

Reducing complexity in labour mobility and enabling flexibility



Goal:

We want a strong and attractive European Single Market in which employees can work smoothly across Europe.

11 Providing services in another EU Member State: Standardise 27 different posting formalities

EXAMPLE

A company **posts employees** in several **EU Member States** to work on **short projects with the customer**.

PROBLEM

Complicated **bureaucratic preparatory steps** and **posting formalities** are necessary in all EU target countries – and these **requirements differ from one Member State to another**.

- **Separate national systems:** The company must submit a **posting declaration** with detailed information to **the national declaration system of the destination country** – often individually for each posted employee.
- **Complexity caused by national implementation:** Many Member States have also introduced **additional** and often **disproportionate information requirements**.
- **Extensive documentation requirements:** The company must **submit various documents** – and often only in the **official language of the destination country**.
- **Additional proof:** In some Member States, **additional documents** such as health certificates must be submitted.

SOLUTION

- **Reduce complexity in the Single Market:** The **information and documentation requirements** to be provided must be significantly **streamlined and standardised**, both in dialogue with the **Member States** and within the framework of **SMET** (Single Market Enforcement Taskforce) as well as through a **legislative revision** of the Enforcement Directive.
- **Prevent abuse:** It should still be possible to introduce **more comprehensive and detailed rules** for **targeted sectors**.
- **Simplify compliance with notification obligations:** Urgently introduce a **harmonised EU-wide digital notification system** (“eDeclaration”), replacing 27 national systems.
- **Rethink the notification procedure:** Make it possible to submit documents in **other languages** than just the official national language – it must also be possible to **notify several persons** in one step and to **save data** for possible subsequent postings.
- **Abolish legislative separation:** The **notification obligations** under labour law and the application for an **A1 certificate** under social security law should be **merged into one procedure**.

5.5 million
postings

in the EU
in 2020

1.8 million
posted workers

in the EU
in 2020

12 Problem case A1 certificate: Streamline processes and reduce bureaucracy

EXAMPLE

A **company** posts **employees** to another **EU Member State** to participate in a conference as part of a **business trip** or to **provide an urgent service** to a customer.

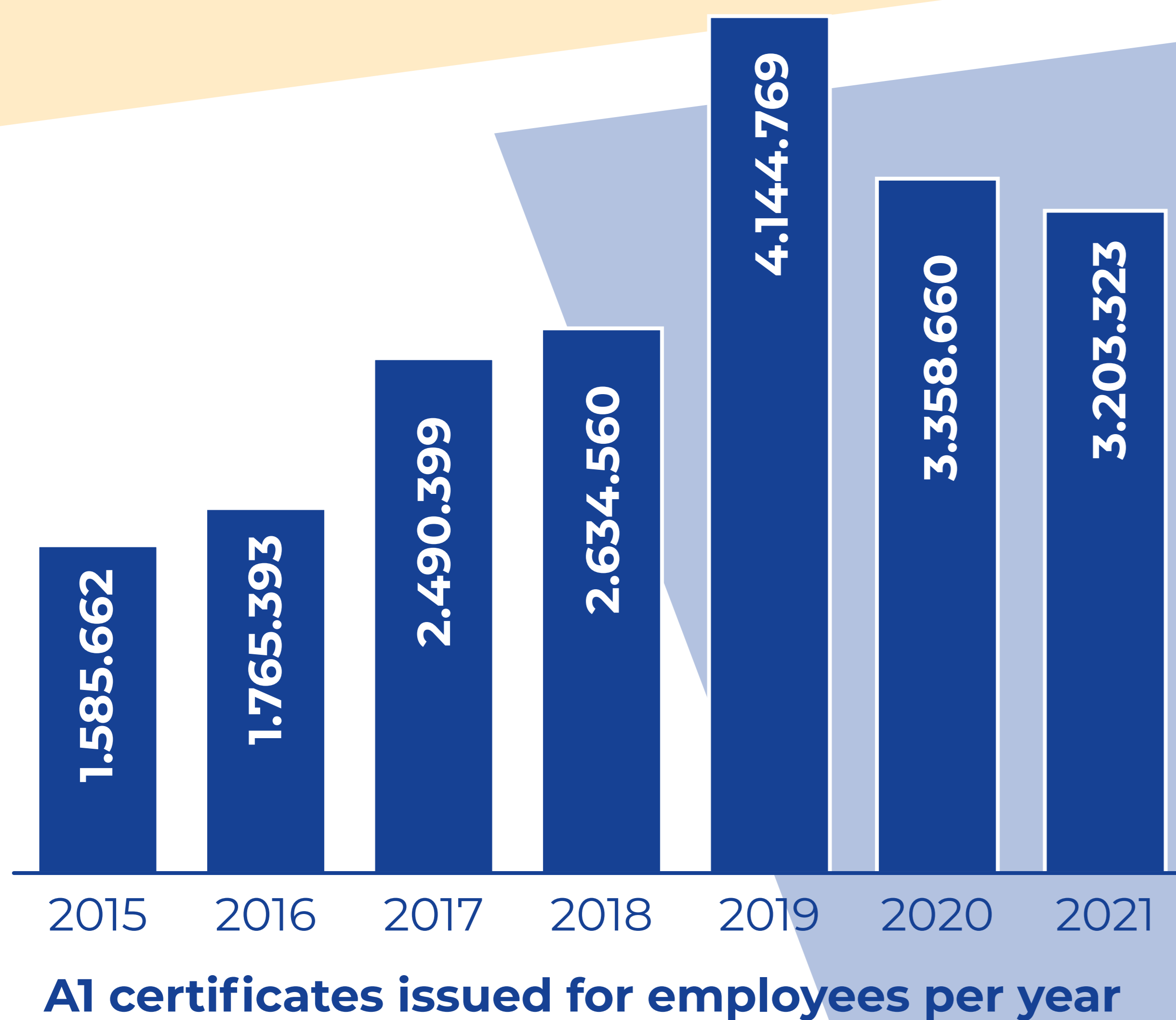
PROBLEM

In the case of **temporary employment in another EU Member State** (posting or business trip), the applicable **social security law** must be verified by means of an **A1 certificate**.

- **Disproportionate procedure:** The **effort** involved in applying for and issuing the A1 certificate is **disproportionate** to the planned activity, particularly in the case of **short-term posting or deployments at short notice** or in case of **assignments without the provision of services**.
- **High risks:** There is a risk of **severe fines** in some EU Member States in case of lack of A1 certificate, even if there is no misuse (e.g. France and Austria).
- **Additional uncertainty: Unclear legal situation** due to the still **incomplete revision** of the Regulations on the coordination of social security systems (Regulation EC/883/2004 and EC/987/2009).

SOLUTION

- **Introduce simplifications for all regular cases:** In the current **legislative revision**, an exemption from the obligation to apply for an A1 certificate must be created for all **business trips** without service provision and **all short-term postings or deployments at short notice with the provision of a service**.
- **Prevent abuse: Targeted sectoral rules** should be retained, as for example in the construction industry.
- **Fast-track simplification and digitalisation:** An **electronic copy of the A1 application** should be sufficient; an easy-to-use, digital **European Social Security Card (ESSPass)** must replace the bureaucratic A1 procedure in the medium term.



13 Mobile working across borders:

Enable more flexibility in EU social security law

EXAMPLE

- A company wanted to allow its employees a longer “workation” or to allow its employees living abroad (cross-border workers) to mobile work.

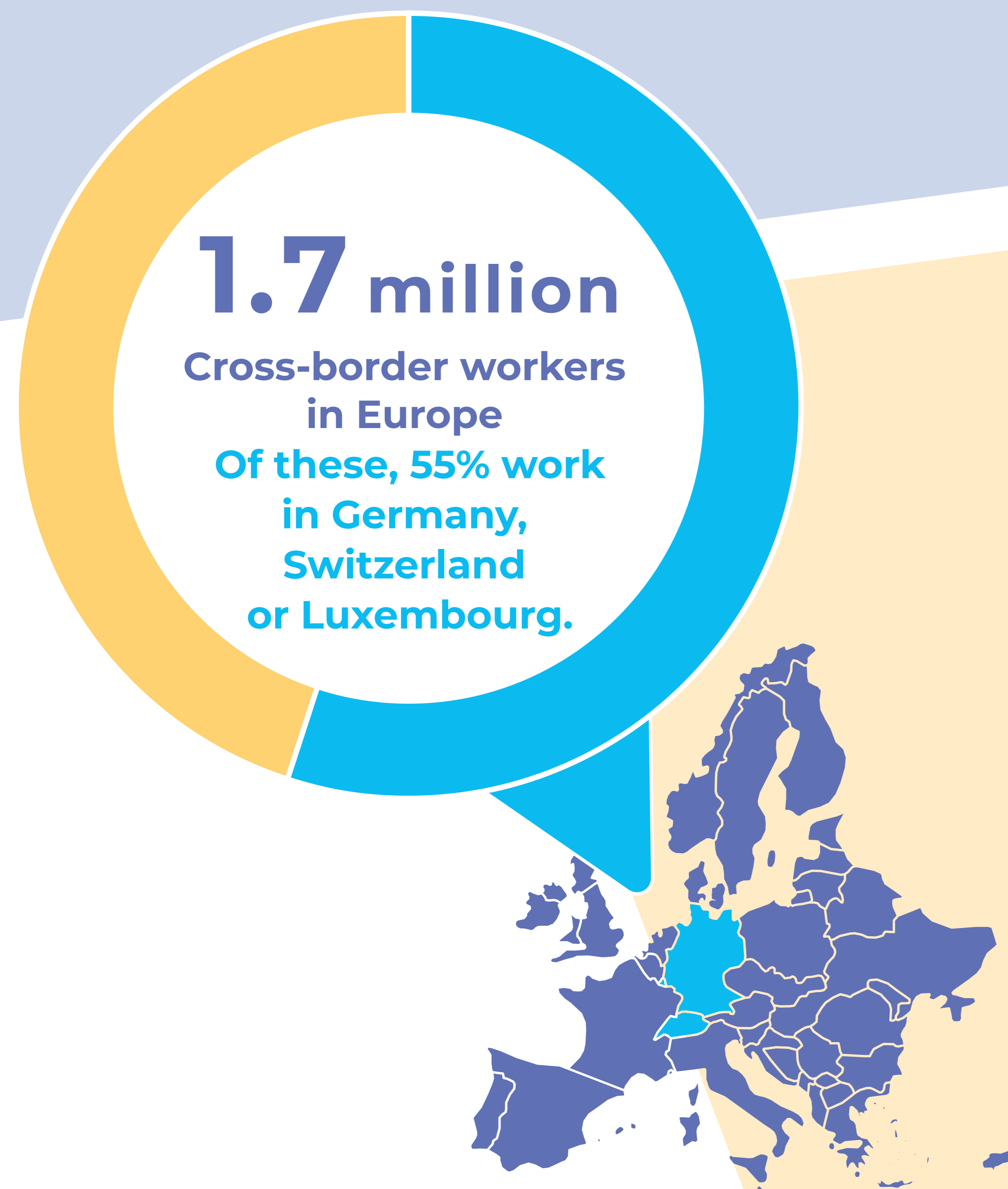
PROBLEM

The company and the employees concerned have only limited **flexibility** due to **EU social security law**.

- **Discrimination against employees:** Employees who reside and work in the same Member State can work on a mobile basis without restrictions, while employees who **reside in another Member State (cross-border workers)** can mobile work only partially – otherwise they would have to **switch to the social security system of their country of residence**.
- **Problems with long-term “workation”:** The same applies to employees who want to **work from abroad on a regular basis or for a longer period of time**.
- **Uncertain legal framework: Exemptions** such as the new framework agreement are **not a legally secure option**, as not all Member States have **signed** the agreement and the signatory states can **withdraw** from the framework agreement **at any time**.

SOLUTION

- **Create legal certainty in the short term:** The framework agreement urgently needs to be transposed into **EU law**.
- **Establish a clear solution in the medium and long term:** An **independent coordination rule** for cross-border mobile working should be included in Regulation EC/883/2004 as part of the ongoing revision.
- **Increase flexibility:** Make **mobile working** more flexible **at least for cross-border workers** whose primary residence is in a neighbouring EU country.



14 Posting of workers to EU Member States: Provide support and tools

EXAMPLE

A company **posts** an **employee** in another EU Member State for a certain period of time in order to fulfil an assignment for a customer.

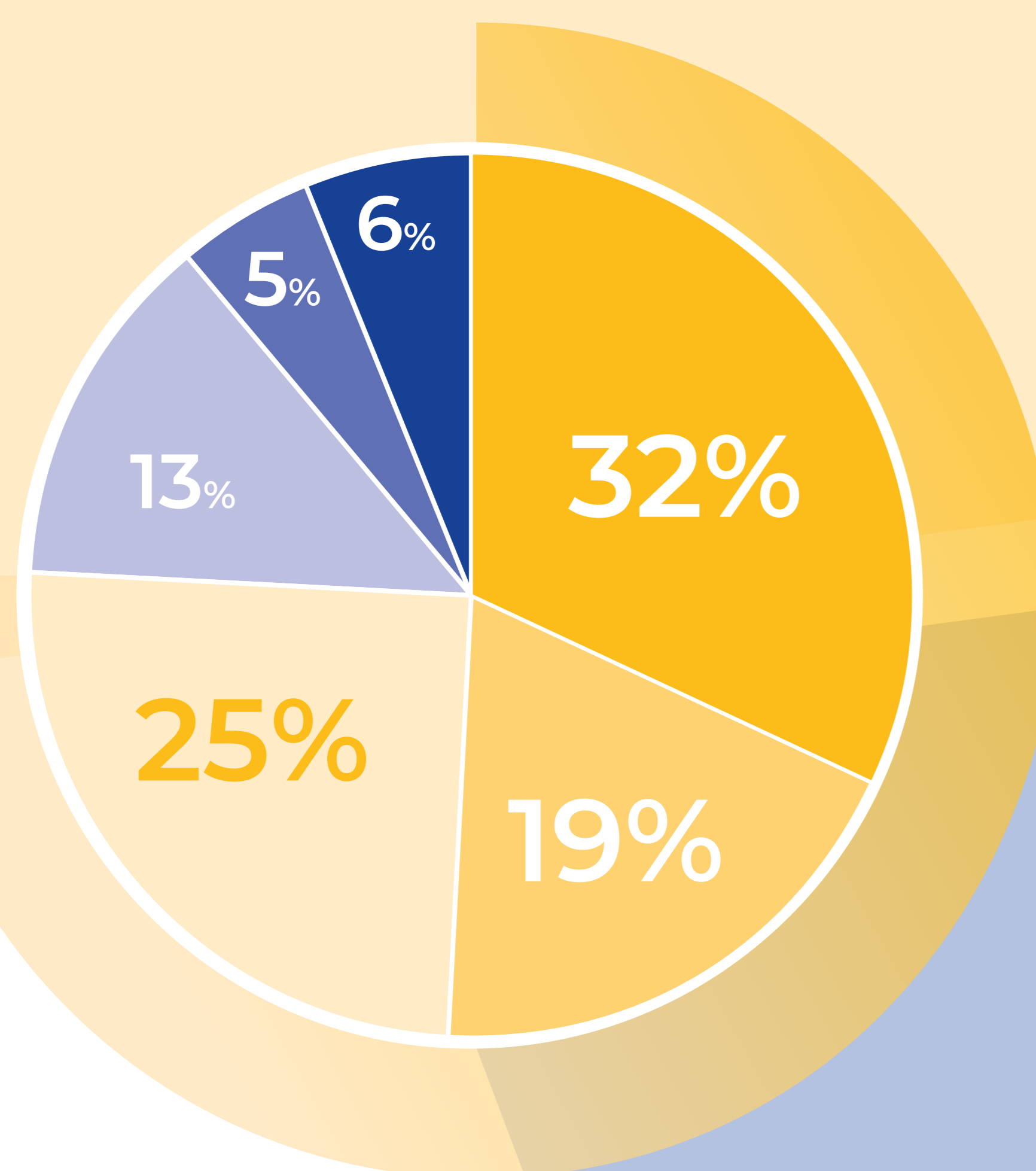
PROBLEM

Due to EU law, the employer must find out what **remuneration** applies to a comparable employee by **universally applicable collective agreements** or by **law** in the destination country, as well as carry out a **comparison** of working and employment conditions.

- **Correct wage calculation is extremely complex:** In particular, it is almost impossible for the company to **categorise the activities in the correct collective agreements** and to have an **overview of additional allowances**.
- **Additional obstacles:** Information on the **legal provisions to be complied with** is **often** published on the national website only in the **country's language**; the company has to analyse the **complex information in a foreign language**.
- **Impending risks:** Companies are **liable** for compliance with the legal provisions; **incorrect or incomplete information** on the national, official websites has **only a mitigating effect**.

SOLUTION

- **Recognise complicated posting of workers as a Single Market problem:** Solve difficulties at national level by providing a European solution within the framework of **SMET** (Single Market Enforcement Taskforce).
- **Create a harmonised website for the European Labour Authority (ELA):** Organise this professionally with **checklists**, clear **instructions** and **contact possibilities** (ELA helpdesk).
- **Enable compliance with legislation:** Simplify access to relevant information; provide information in **multiple languages or at least in English**.
- **Keep up with changes:** The relevant information must be **updated regularly**.



- less than 8 days
- between 8 days to 1 month
- between 1 and 6 months
- between 6 and 12 months
- between 12 and 18 months
- longer than 18 months

Proportion of postings
by duration, 2020

15 European Labour Authority (ELA): Further develop into a service provider for smoother EU labour mobility

EXAMPLE

A company would like to find out about the **requirements** and **general conditions** before **posting employees to other EU countries** in order to comply with the law.

PROBLEM

For the company, the **bureaucratic effort** involved in researching and determining the legal provisions in other EU countries is **high and complex**, and there is **no central source of information**.

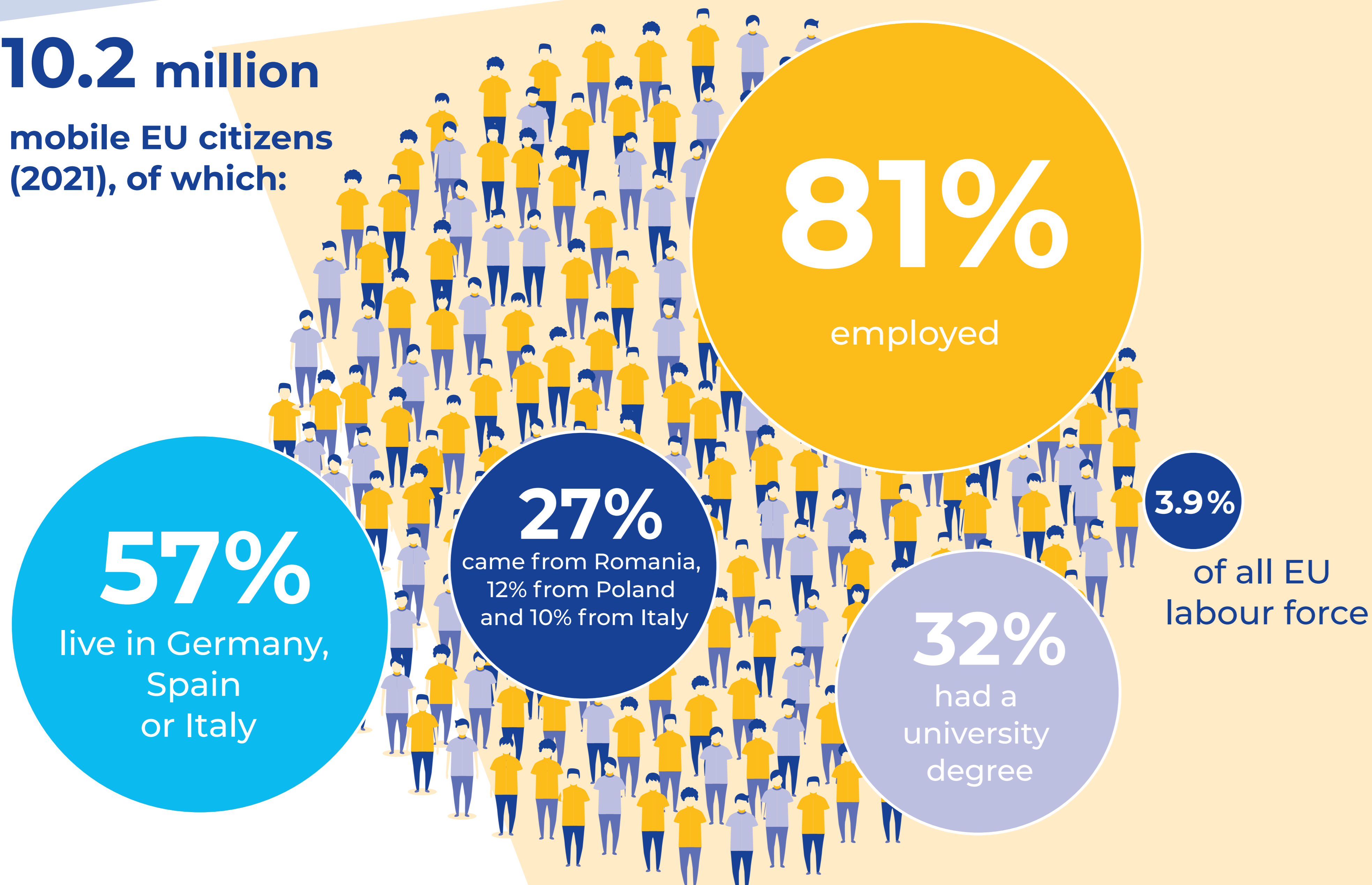
- **No help for foreign companies:** The available national **information** is often **incomplete**.
- **Additional difficulties:** There are also **language barriers** when researching the legal requirements to be complied with.

SOLUTION

- **Create a single point of contact for information:** The **European Labour Authority (ELA)** must play a key role and set up a **central EU-wide website as a single gateway**.
- **Strengthen coordination:** The ELA should support Member States in providing complete and accurate information; it should also encourage Member States to provide information **at least in English**, preferably in **all official EU languages**.
- **Offer advice for national level:** It should also offer support in setting up **national internet portals** based on a **standardised model**.
- **New focus for the role of the ELA:** An **ELA helpdesk** should be set up to which companies, employees and authorities can turn to with questions on applicable EU law and on further information on national legislation; a **SOLVIT centre** should also be established at the ELA to resolve problems with **posting cases**.
- **Make the official mandate of the ELA more concrete:** With regard to the **provision of information**, the **competences** of the ELA must be strengthened.



10.2 million
mobile EU citizens
(2021), of which:



Skilled labour for Europe:

Attracting talent and securing future skills



Goal:

We want to create the best conditions for labour migration to Europe and secure future skills for Europe as a strong business location.

16 Employing third-country nationals: Simplify and accelerate labour migration to the EU

EXAMPLE

A company would like to **hire a qualified applicant** from a third country.

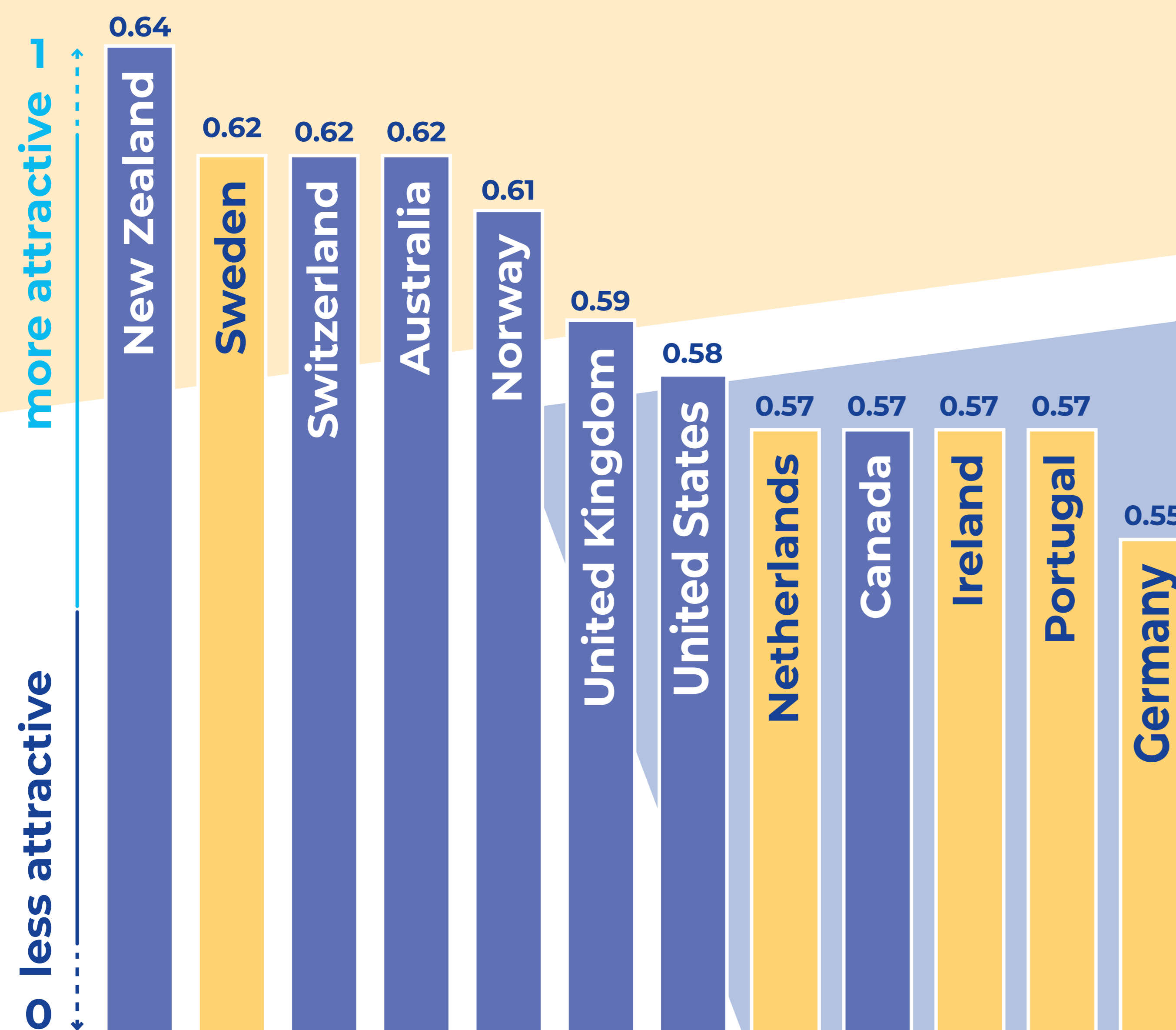
PROBLEM

The employer and the future employee are entering a **bureaucratic jungle with complex, lengthy administrative procedures** that are almost impossible for many companies and employees to navigate.

- **Lack of coordination:** The authorities involved at national level **apply the law inconsistently**.
- **Long procedures and waiting times for appointments at the embassies abroad and immigration authorities:** The waiting time for a visa appointment is one year in Albania, Tunisia and Nigeria, 41 weeks in Algeria and three months in Jordan.
- **No progress in digitalisation:** The process involves time-consuming postal **dispatch and in person submission of documents**. Applicants and employers have to consult various authorities and offices for this – also to track the progress of their application.
- **Lack of support:** There is **no central contact point** that can help employers with possible problems.

SOLUTION

- **Encourage Member States to introduce reforms:** The EU Commission should call for an **ambitious national transposition of the EU Blue Card Directive**, including extended opportunities for young professionals and vocationally qualified workers.
- **Make European recommendations for the national level:** Within the framework of the European Semester, the EU Commission must recommend that Germany makes **administrative procedures and communication channels** more transparent and customer-oriented, simplifies and digitalises them, significantly reduces long **waiting times for visa appointments**, standardises **visa documents**, sets up **contact points** for employers, accepts **documents** in English and ensures uniform **application processes**.
- **Further develop the EU legal framework in a targeted manner:** The **EU Family Reunification Directive** should be modernised – in particular the requirements for and examination of an application should be simplified and shorter deadlines should be introduced. The recast of the **Long-Term Residents Directive** must be adopted without further delay.



Europe's attractiveness for talents from third countries in international comparison

17 Driving innovation in Europe: Create a European visa for founders

EXAMPLE

A third-country national would like to take over a **company** as a successor or found a **start-up in Europe**.

PROBLEM

Many Member States are not yet able to **attract non-European start-ups or founders**, although the start-up sector as a whole is developing dynamically.

- **No legal basis:** Currently, an **EU-wide visa** for the purpose of founding new companies or taking over a company does not exist.
- **Complicated regimes:** Different national immigration routes for self-employment create an **unattractive environment for innovation**.
- **Need for clarification:** Authorities regularly request **outdated documents** or **requirements not stipulated by law**.
- **Additional language barrier:** Required **business plans** usually cannot be submitted in English.

SOLUTION

- **Propose new EU legislation:** A new “**EU Blue Card**” for start-up founders could provide interested foreign founders or company successors with a **legal pathway** across the EU with long-term prospects of staying.
- **Simplify the visa framework conditions:** The duration of the stay or residence status of potential founders should not prevent them from obtaining **financing** through loans or subsidy programmes; it must be possible to submit business plans in English; information, applications and advice should also be available **in English** throughout Europe.



18 Matching employers and job seekers: Utilise the EU Talent Pool across Europe

EXAMPLE

A company would like to make its **vacancies** visible to potential **candidates in third countries**.

PROBLEM

For European employers, there is currently **no focused EU-wide option** or **IT infrastructure for recruiting** or screening applicants from third countries.

- **Lack of external visibility:** Across Europe, there is a lack of **user-friendly tools** to open the **European labour market** to third-country nationals.
- **Limited awareness of EU job prospects:** There is currently **no EU job portal**, but countless national ones.
- **No common source of information:** Applicants who want to explore their employment options in the EU today have **no access to EU-wide offers** at a glance.

SOLUTION

- **Utilising economies of scale:** The proposal for the EU Talent Pool presented in November 2023 can **contribute to make Europe more attractive for skilled labour**.
- **Focus on European added value:** The EU Talent Pool must complement national systems in a meaningful way, be **easy to use** for all actors involved and **avoid parallel structures**.
- **Set the right focus:** The EU Talent Pool should generally be opened up to all professions; country-specific restrictions that are tailored to the respective national immigration law should be possible.



19 Completing vocational training in the EU: Simplify migration into training

EXAMPLE

A company is **unable to fill all of its apprenticeship positions with domestic applicants**. It would like to offer young people from the EU or third countries the opportunity to complete their vocational training in Germany.

PROBLEM

Many companies face major challenges when they would like to integrate **young people from Europe** or from a **third country** into training programmes.

- **The sum of many difficulties:** Up to now, migration into initial vocational education and training (IVET) has too often failed due to high bureaucratic hurdles, **a lack of support schemes, knowledge of the national training system or a lack of language skills**.

SOLUTION

- **Utilise financial resources in the EU and in the Member States:** Provide **EU financial support programmes** for language preparation and bureaucratic support for young people in the countries of origin.
- **Make European recommendations for the national level:** Within the framework of the European Semester, the EU Commission should recommend that Germany reduces the **very high requirements** for third-country nationals to take up IVET.
- **Reduce barriers:** Member States should be encouraged to focus on the essentials and lower the **hurdles for residence permits to take up IVET**, particularly with regard to **language requirements and conditions for obtaining a residence permit**.

33.880
for initial
vocational
training

**Number of residence
permits issued (2022):**

177.210
for academic studies

20
for the search
of an apprenticeship

20 Recognising foreign qualifications: Simplify recognition across Europe

EXAMPLE

In many cases, skilled workers from third countries must have their **foreign qualifications recognised** in order to obtain a residence and work permit. This recognition is mandatory particularly in regulated professions.

PROBLEM

For those involved, complex recognition procedures are difficult to navigate without comprehensive counselling. At the same time, there are long waiting times before skilled workers can take up employment.

- **Bureaucratic obstacles:** The **hurdles for the formal recognition** of foreign professional qualifications are very high and the procedures are **time-consuming**.
- **Complicated procedures:** Responsibilities are distributed among a **large number of authorities**, numerous documents have to be **translated** and submitted as **originals** and often lengthy **adaptation qualifications** have to be completed.

SOLUTION

- **Simplify the recognition process:** There is a need for improved information and counselling services, **digital** and generally streamlined **recognition procedures** and a pragmatic approach by the competent authorities.
- **Create a European strategy for the improved recognition of foreign qualifications:** The EU should present a comprehensive strategy for **regulated and non-regulated professions** in which transparency on the **comparability of qualifications** is established and the European Qualifications Framework (EQF) is consistently used as a transparency instrument; it should also ensure that **mobility within the EU** is **straightforward**.
- **Consider an EU-wide approach:** The EU Commission must pursue a European solution with the Member States within the framework of **SMET** (Single Market Enforcement Taskforce); **formal recognition of qualifications should not be mandatory**, particularly in the case of unregulated occupations.
- **Expand cooperation between the Member States:** promote a greater range of **tailor-made qualification modules** for regulated professions in the Member States.



21 Securing skills for the future: Strengthen entrepreneurial and digital skills across Europe

EXAMPLE

A company would like to **recruit skilled workers** and has **problems finding employees with the necessary skills**.

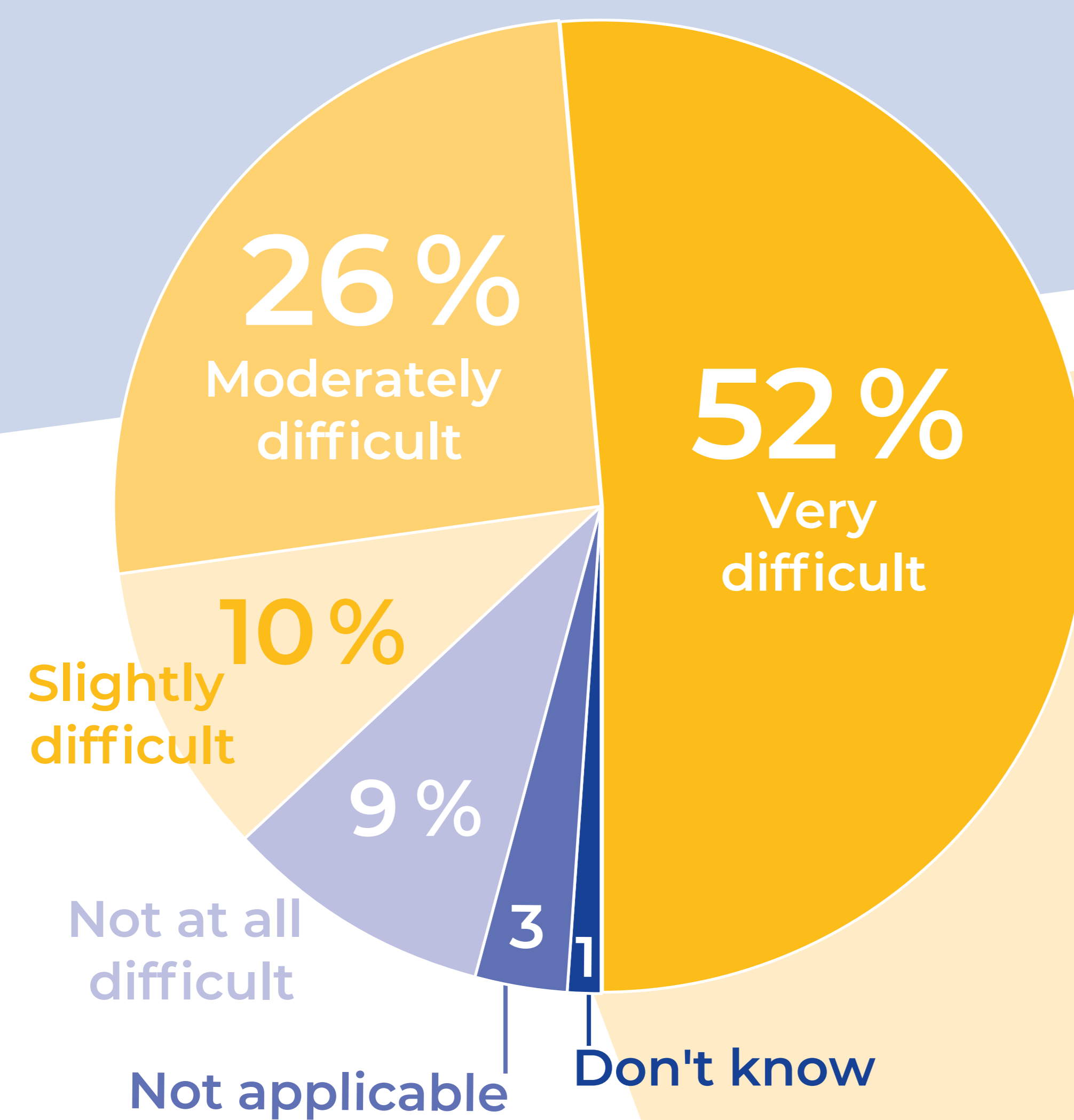
PROBLEM

Skills mismatches within the EU are exacerbating the **shortage of skilled labour**.

- **Little focus on future skills:** Often **entrepreneurial and STEM skills** are **not sufficiently taught** in the education systems of the Member States.
- **Operational effects:** The mismatch between skills supply and demand has **negative consequences for productivity and competitiveness**.
- **Macroeconomic consequences:** This has a **negative impact on Europe's innovation power**, particularly in the face of international competition.

SOLUTION

- **Promote entrepreneurship at an early stage:** Strengthen **entrepreneurship in all study and training programmes** across Europe; career advisers should also include start-up incubators where appropriate.
- **Strengthen coordination across Europe:** Better connect existing regional and local **entrepreneurial skills centres and networks** to support aspiring entrepreneurs and start-ups – while avoiding parallel structures through EU action.
- **Targeted European recommendations:** Within the framework of the European Semester, the EU Commission should recommend all Member States to promote **basic digital skills** and make the teaching and acquisition of **advanced digital skills** a priority of education and training systems as well as regularly review the progress made.
- **Continue efforts in the EU and in the Member States:** Consistently promote **STEM skills** and systematically dismantle gender stereotypes.



How difficult is it for your company to find workers with the right skills?

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