



Competitiveness must be the main factor when developing the EU's social dimension

Any development in the EU's social dimension must primarily support the conditions for growth, job creation and hiring. This requires a flexible regulatory environment that takes into account the different needs of different sectors and companies. Better regulation principles, careful impact assessments and competitiveness analysis should be standard procedures when developing the social dimension.

In particular, more binding EU-level legislation in the area of work-life is a step backwards in terms of promoting competitiveness, increasing the flexibility of the labour market and safeguarding the trusted Nordic labour market model. Strong social partners and their right to collective bargaining are the cornerstones of the Nordic labour market model and an important element of the welfare state. Binding EU work-life legislation narrows the competence of the social partners by shifting it to the national legislator and creates significant challenges for the preservation of the Nordic labour market model, the collective bargaining tradition and the social partners' freedom of contract.

European companies cannot compete internationally without a skilled workforce. The availability of skilled workforce is a European-wide challenge. We need national and EU-level measures to tackle this challenge, promote labour migration and facilitate the free movement of workers. We need national efforts in every Member state on skills development, re-skilling and training, and also support from EU skills programmes to tackle the skills shortages.

Member States must be encouraged to develop strong employment strategies and to balance of their own economies. Member States must continue to have both the right to decide on the content of social security and the obligation to finance their benefit expenditure. Joint EU-level financial responsibility would run counter to this objective. EU-level social security policy coordination is needed to ensure that workers moving between Member States receive adequate social security cover and to avoid double insurance obligations.

FINNISH INDUSTRIES EK'S MESSAGES TO DECISION-MAKERS

- EU work-life legislation should not weaken the competitiveness of European companies. Any reforms on the area of work-life should be based on a careful assessment of its impact on competitiveness and employment. It is important not to unnecessarily increase legislation that creates additional administrative burden for companies or decreases the flexibility of the labour market.
- Existing legislation should also be examined from a competitiveness perspective. Regulations where the negative impact on business competitiveness outweighs the positive impact on social protection should be dismantled.
- The flexibility of the labour market and ability to react quickly to changes in the labour market environment must be increased.
- It is important that EU labour market legislation does not weaken the competence of the social partners or transfer it to the legislator. There must be room for Member States to develop their labour market systems on their own terms.
- EU-level measures should focus on promoting the free movement of workforce and the availability of skilled labour. The main competence in labour and social affairs must remain at national level.

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