

Future EU-policy priorities of the Confederation of Swedish Enterprise



**Programme for a successful
and competitive EU**

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Summary

Europe stands at a crossroads in the face of major challenges such as Brexit, growing protectionism and geopolitical uncertainty. Meanwhile, a fresh strategic agenda for the EU's continued work is being produced for the new EU Commission which the newly-elected European Parliament will interpret during its upcoming mandate period. Challenges also bring opportunities. Hence, the Confederation of Swedish Enterprise, in co-operation with its experts and membership organisations, has produced concrete proposals for measures to ensure that Europe will maintain its competitiveness in the global arena. To further develop Europe's strengths is crucial. For us, this entails defending and developing its fundamental principles on peace and welfare through trade and economic integration. Much has been done, but even more can be achieved.

Develop a new single market strategy and prevent separate national rules

The single market lies at the heart of EU co-operation and Europe's successes can to a great extent be credited to the free movement of goods, services, people and capital. It is therefore crucial that the new mandate period includes a renewed focus on the single market as a clear priority, along with the development of a new single market strategy. This strategy should aim to complement the rules of the single market in terms of goods and services, work against national exceptions and strengthen co-ordination between member states so that existing legislation is applied consistently across the EU. There is also a need for a clearly communicated political ambition that the Commission intends to be more pro-active in its role as Guardian of the Treaties, and that it will take steps against member states that fail to respect common rules. In the long term, a discussion is needed about how the single market should be developed and maintained.

Digitalisation should be put on the same footing as the "four freedoms" (goods, services, people and capital)

The EU's single market is becoming increasingly digital. Digitalisation is happening in all sectors of the economy, making life easier for many citizens, transforming large parts of business and creating new business opportunities. Amid these developments it is important to recall that digitalisation is a means, not an end. The digital single market is a natural part of the single market and is therefore one of the EU's core areas of competence. In time, the two should be considered one and the same. The economy's digital dimension will be a key driver of future growth. Companies that have access to open markets with optimal conditions for innovation and commercialisation of ideas will create growth. Within the EU, therefore, there is a need for continued focus on enabling digitalisation and a balanced regulatory framework. Regulatory digital and physical infrastructure must be improved throughout the EU and it is critical that data be allowed to flow freely between member states and in and out of the bloc.

The EU should take the lead in defending and developing multilateral trade regulations

While it is important to remove barriers that currently exist within the EU, limits to the trade in goods and services with non-member states should also be minimised and preferably removed. The championing of global free trade and the establishment of new free trade agreements with key trading partners are core EU responsibilities. The EU should therefore have an ambitious trade policy that through bilateral and multilateral co-operation contributes to fewer trade barriers and creates new export opportunities for European companies. The EU must defend and develop the international regulatory framework for trade and strengthen the WTO. A key task during the mandate period will be to manage the consequences of Brexit and insofar as is possible, reduce its negative effects on European companies.

Legislation should be reserved for areas where it creates value, over-implementation should be avoided

Early consultations with business can avoid rules being introduced that result in the creation of barriers to free movement or increased regulatory burdens for companies. To increase Europe's competitiveness, concrete targets to reduce companies' regulatory burden should be developed and over-implementation avoided. Evidence-based and transparent impact assessments should be carried out when new legislation is drafted. Existing legislation should also be reviewed on an ongoing basis.

International co-operation on global solutions to combat climate change

During the next mandate period, the EU Commission should work towards an ambitious climate policy that is based on scientific evidence, good praxis, and efficient and inclusive solutions. The climate issue demands robust international commitment to global solutions. The EU cannot act in isolation, rather it should raise the level of its ambitions and initiatives together and in co-ordination with other countries and regions, for example under the Paris Agreement and the UN's Framework Convention on Climate Change. Additionally, it is crucial that EU member states act coherently and avoid implementing EU directives on sustainability in different ways. To achieve the climate goals outlined in the Paris Agreement and ensure continued access to raw materials, we also need to use our resources more efficiently and take steps towards a more circular economy. This will also support the continued implementation of the UN's sustainability goals. In this way we will be able to achieve beneficial outcomes – for the environment and for business.

A social Europe will be achieved through competitive companies and a balanced economy

The activities of the EU institutions in the area of social policy include examples of EU regulations going in the wrong direction. The EU's mandate with respect to social policy should not be expanded. Due to differences in circumstances, traditions and systems between member states, this must remain a national responsibility. The EU's responsibility should instead be to stimulate national reforms to achieve employment objectives by means of benchmarking and the dissemination of best practice. For Sweden, further EU labour market regulations risk undermining Swedish collective agreements and the Swedish labour market model. Such measures could complicate social partner cooperation not only in Sweden but also in other Nordic countries.

Develop comparisons on competitiveness and allow member states to learn from one another

Europe's diversity can be used as a competitive advantage by allowing the EU to be catalyst for national reforms that support competition and in which a variety of different solutions can stimulate growth. Country reports and recommendations within the European semester should develop with comparisons and development of best practice in areas relating to competitiveness.

Research, innovation and scientific-based evidence must be prioritised

New investment is needed in research and innovation and more resources should be allocated to these areas in the EU's budget. The development of new regulatory structures should not inhibit research and development but promote it – the Commission should therefore focus on establishing a test of how proposed legislation affect the effectiveness of innovation for EU business and launch a long-term review of existing regulations to address legislation that inhibits innovation. Furthermore, trust in scientific evidence as a basis for EU legislation must not be undermined.



The Single Market

The EU's successes can to a considerable degree be measured by the exchange of goods, services, people and capital. Focus must remain on the comprehensive implementation and enforcement of the single market. For example, much remains to be done to achieve free movement of services and labour, to remove inhibitive national processes, rules and standards and ensure that common legislation is applied uniformly and consistently. As long as barriers to the four freedoms exist, European competitiveness will also continue to be undermined.

Develop a new single market strategy

- A new single market strategy should be developed with the overarching aim of maintaining and strengthening European business' international competitiveness.
- The new Commission should immediately ensure that growth of the single market and its four freedoms are given the highest priority during the coming mandate period.
- A well-functioning internal market is open to the outside world. Strategies for strengthening the single market should therefore go hand-in-hand with strategies that seek to strengthen free trade. However, free trade also needs to be defended. The EU must therefore improve how it helps member states fight criminality, corruption and illegal trade. Industrial espionage, IP infringement and pirate copying must be curbed.
- It is important that the necessary overview of EU rules regarding state support in the years ahead is characterised by restraint and that the basis for all support granted in the EU continues to exclusively target pure market failure.

Avoid over-implementation

- The EU must be better at ensuring that member states implement legislation relating to the single market correctly – and in a timely manner. Failures in such implementation have consequences for all aspects of the functioning of the single market and for all its actors. Differences in how member states implement legislation is certainly unavoidable, but over-implementation should be avoided.
- An action plan should be drawn up with the aim of preventing the sort of separate national legislation that prevents the free movement of goods, services, people and capital across member state borders. The EU Commission must strengthen its role as Guardian of the Treaties through entering into agreements with – or act against – member states that fail to respect common rules. It must also be easier for companies and citizens to get their case tried.
- Specific initiatives are necessary to remove rules that hinder trade. There are many national exceptions and they are difficult to keep track of. For example, there are differences in rules related to returning goods that are impossible for smaller companies to implement.
- Harmonisation is needed in terms of product regulation and certification. There is a lack of cross-border and compatible solutions between member states' post operators, which hinders cross-border e-commerce.
- Producer responsibility differs considerably. A one-stop-shop at union-level would make it a lot easier for companies. Information about different systems should be brought under a Single Digital Gateway.

Identify measures to improve the market for services

- Identify measures to establish a better functioning market for services. Protectionist initiatives relating to services in member states persist, including some 800 professions that are regulated at national level, 200 of which are relevant only in a single member state.
- The existing services directive must be fully implemented. The EU must prioritise the removal of barriers to free movement in the single market at all levels, both in terms of temporary provision of services and their establishment.

Renewed focus on a single market for food products

- A fresh focus is needed on the single market for food products. Although there is a high degree of harmonised legislation in the sector, this needs to be complemented and developed so that the single market can function as intended. It is also an area where we clearly see an increasing tendency towards protectionism through national rules, something that must be countered more forcefully than has been the case to date.

Caution should be exercised on tax issues

- Caution should be exercised when dealing with tax issues. Regional EU proposals and unilateral initiatives must be counteracted. It is a matter of urgency that tax rules are formulated in such a way that aligns with companies' business models and similarly that new tax rules do not threaten to undermine either companies' liquidity or competitiveness. It is essential that the Commission takes steps to identify opportunities for simplification and eliminate barriers to competition.
- The Commission's initiative on amended decision making in the tax arena in the EU (from unanimity to qualified majority voting) must be rejected. A transition to qualified majority voting would result in a radical shift in competence and pose a major threat of smaller member states' interests in particular not being taken into account and the EU's international competitiveness being undermined.
- Measures must be taken to stop the increase of double taxation. Greater regulatory complexity leads to interpretation disputes between tax authorities in different member states and increases the risk of companies being subject to double taxation.
- Work should be intensified on value added tax issues in terms of European co-operation and in the OECD. Opportunities for simplification need to be identified and barriers to competition eliminated.
- Implementation of BEPS rules for corporate taxation must be monitored and followed up. Guarantees must be put in place to ensure that new initiatives to minimise taxation in the corporate sector and additional tax avoidance rules must not have unforeseen consequences for companies.
- Public country-by-country reporting relating to taxation should not be introduced for companies. Tax authorities already receive this sort of information. Reporting requirements put the EU at a competitive disadvantage to other jurisdictions that do not require information to be made public on a country-by-country basis.

- Changes to corporate accountancy rules must be formulated in such a way as to align with companies' business models. The principle should be that the rules should not result in increased costs but be beneficial for companies.

Improved, uniform market control

- To safeguard competition in the single market and improve consumer health and security, the EU must work for improved and uniform market control and oversight of products and actors in the single market.

Harmonise protection of company confidentiality

- During the mandate period, the EU Commission should carefully review how the protection of company confidentiality develops in praxis and conduct reviews when necessary. The directive contains large amounts of open phrasing and deliberately omits several aspects relating to the protection of confidentiality. In time, it would be preferable to introduce fully harmonised protection.

Systems and processes for mutual recognition must be improved

- Processes for mutual recognition of training and education qualifications must be improved and the number of regulated professions should be cut. The movement of talent should be made easier.
- Routines for mutual recognition of goods need improvement. This is an area where product control in Sweden can be held up as a model and replicated in other member states.

Harmonised copyright law should be sought

- A higher degree of harmonised copyright law should be sought after during the mandate period. The Commission should initiate reforms in the area of copyright law that can build on the legal precedent that has developed by EU law and an adaption of copyright law to the challenges we face in a new technological reality.
- Several aspects of intellectual property rights should be reviewed continually to ensure that no border barriers remain and that they are applied as intended. This is especially relevant for trademark law and market law.
- Trademark licensing should be handled at EU level due to the increased significance of professional innovation, analogue and digital. Lack of legal clarity can contribute to the failure of investment initiatives.



The Digital Single Market

The EU single market is becoming increasingly digital. Digitalisation is happening across the economy, making life easier for many citizens, transforming large swaths of the economy and creates new business opportunities. It seems increasingly clear that a considerable part of future growth will be derived from the economy's digital dimension. Companies that have access to open markets with the best opportunities for innovation and commercialisation of ideas will create growth. Within the EU, there is a continued need to focus on enabling digitalisation through a balanced regulatory framework.

Promotion of innovation

- The digital strategy must establish and highlight priorities within the digital market.
- Research and investment support for the establishment of a 5G standard and basic research support for artificial intelligence (AI) should be prioritised. This also applies to the implementation of quantum computing, and potential solutions to the security and integrity issues that quantum computing will cause.
- Create opportunities to research and innovate in testbeds and so-called sandboxes (protected environments) where delimiting regulations are unnecessary.

Create a future-proof regulatory framework

- Principle-based laws provide predictable, stable and technologically-neutral rules that can apply over time. These sorts of laws and rules would improve conditions for innovation and global competitiveness regardless of continued rapid technological progress.

- Review existing regulations to ensure that they are applicable to new technologies such as AI.
- Rules, guidelines and recommendations should drive global competitiveness and be reviewed regularly. They must also be related to existing legal principles and support common values.
- Digital single market regulations must observe the principle that demands put on companies based in the EU must also be imposed on companies based in third countries but active on the EU market.
- The EU should propose a harmonised regulatory framework for consumer protection – irrespective of sales channel.
- Work for a more harmonised and simplified regulatory framework for data use and infrastructure.
- Should the regulatory framework for the taxation of the digital economy be changed, this must follow a globally accepted approach.
- Common standards should be sought after at an international level, for example in the transport sector.

Support data flows

- The primary aim should be to maintain the free flow of data within the EU as well as outside the bloc. Companies' ability to access and use data is an innovation and growth driver. EU directives with unbalanced rules for data protection undermine companies' competitiveness and threaten to undermine competition on the digital single market.
- International data flows must be protected by trade deals and the EU must continue to work to prevent protectionist measures.
- Promote standards and data use agreements that support sharing and access, prevent data lock-in situations and simplify portability between suppliers for companies' users. New legislation should only be considered if competition legislation fails to prevent data monopoly and market abuse. Increased access to data from the public sector is highly sought after by companies.
- Ensure the continued existence of a free internet in the EU. The principle of mere conduit, or network operator immunity, in the E-commerce Directive should be safeguarded.

Responsibility for privacy protection

- The General Data Protection Regulation, GDPR, needs to be reviewed to be credibly adapted to AI as it develops.
- The EU must prioritise cyber security and combat cybercrime. Member states have a key role in this themselves, but in its role as the world's largest market, as an aid donor, trade partner and a major voice in international organisations, the EU has an entirely different potential to encourage countries to act in ways that align with the EU's interests on this issue.
- Existing legislation should be reviewed and adapted to new technologies such as AI, for example the General Product Safety Directive, the Product Liability Directive and the Machinery Directive.

Legislation must be future-proof to support the use of new technological solutions

- European companies are subject to 28 different sets of consumer regulations, which, for example, stipulate different guarantee periods and different rules on the recognition of goods. Consequently, merchants must invest both time and money to review existing single market rules. If e-commerce is to flourish in the EU, consumer rules need to be harmonised. Legislation must be future-proof and applicable in the context of new technological solutions and the contemporary use of platforms.
- Efficient, harmonised and readily available payment solutions are necessary for e-commerce to function. We therefore need immediate initiatives on standardised payment solutions that can be made available throughout the single market.
- The highest quality infrastructure for data communication is needed and must be expanded in line with demand for speed and bandwidth. The EU should focus its investment support on substantially faster broadband.

Competence and life-long learning

- Improved skills support to stimulate innovation and the adoption of new technologies are needed in all sectors. As workers' tasks change in line with the emergence of new technologies, so does the need of updating skill sets and retraining. Primarily, this is an area of national responsibility, but the EU should encourage review of national educational systems.



Free trade

The socioeconomic benefits of freer trade do not stop at the EU's borders. While it is important to remove barriers that persist within the EU, efforts should be focused on minimising and preferably removing entirely the barriers to the trade in goods and services that exist with non-member states. Taking a leadership role for free trade globally and, in the absence of multilateral agreements, continuing to seek free trade agreements with our key trading partners, are core tasks for the EU. The external dimension is necessary to be able to increase growth and create more jobs in the long term.

Secure a close trading relationship with the UK

- A trade agreement between the EU and the UK should seek to establish as frictionless trade as possible without having a negative impact on the single market. Until then, transitional rules should replicate existing regulations.

Lead the defence and expansion of international trade regulations

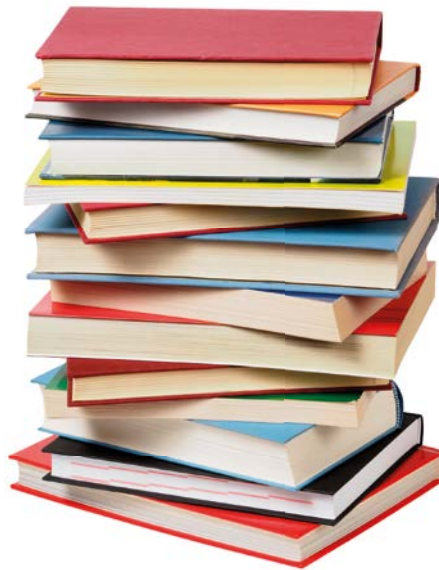
- The EU must take a leadership role in defending and expanding the multilateral regulatory framework for trade, for example through the WTO.

Trade strategy with China

- A strategy for the EU's trading relationship with China must be developed, which should include equivalent market access for both parties and a guarantee of non-discriminatory treatment of European companies.

Free trade agreement with key trading partners

- The EU should conclude, approve and implement free trade agreements with Mexico, Mercosur, Chile, Australia, New Zealand, India, Canada (CETA), Vietnam and Singapore. New agreements should focus on fast-growing economies in Asia, Latin America and Africa.
- The EU should strive to maintain and develop a good trading relationship with the US. A positive conclusion of ongoing negotiations on, among other areas, the removal of tariffs on industrial goods and regulatory co-operation, should pave the way for an ambitious free trade agreement in the future.
- The implementation and adoption of trade agreements and related rules must be improved so that more companies in EU member states are able to benefit from the advantages that flow from trade and investment. Ratification of deals must be accelerated. It is unacceptable that it takes several years between the Commission concluding a free trade agreement and the Commission tabling it for ratification. This should be done in consultation with business.
- Free trade agreements have increasingly developed into more comprehensive partnership agreements that include everything from sustainability to animal rights. The EU must ensure that the potential inclusion of non-trade-related conditions does not prevent agreements with third countries on continued welfare-driving trade in goods, services and investment. It is important to strike a balance in trade agreements.
- Measures must be taken to ensure that companies are able to take full advantage of the opportunities created by free trade agreements. This may involve information initiatives directed at SMEs in particular. For example, a European website offering online tools related to all free trade agreements would be an excellent first step.



Better regulation

EU legislation should be reserved for areas where it provides proven added value. The principle of subsidiarity should be strictly applied. Rules must be necessary, proportional and cost-effective. Principles for improving regulations must include all EU institutions involved in legislation and incorporate the entire legislative process – including implementation and review. The EU must establish clear and measurable targets to reduce companies' compliance costs, increase transparency, improve impact analysis of planned legislation and evaluate existing rules. Furthermore, these targets must be followed up considerably more consistently and efficiently than is currently the case.

Make the Refit platform a permanent forum and develop concrete targets to reduce regulatory burdens

- Regulatory improvement should continue to be prioritised. Concrete targets should be established to reduce companies' regulatory burden in areas of greatest concern to them.
- The Refit platform should become a permanent forum. The Commission's co-operation with EU member states' authorities and other stakeholders to improve EU legislation and regulatory simplification processes has worked well and should continue. The transparency and quality of the platform's work should, however, be improved on an ongoing basis.

Consultation with business should be conducted early in the decision process

- Appropriate and transparent consultation with business should be conducted in all phases of EU decision making.
- The so-called "evaluate first" approach in relation to the creation of new legislation should be respected.

- Impact assessments must be improved, more evidence-based and better used. They must also be published before legislation is adopted by the EU Commission. Impact assessments must also be conducted when material changes to the original proposals are made by the Council and Parliament. This allows the consequences of proposals that are negotiated between the two institutions to be known prior to decisions being taken.
- The transparency of the legislative procedures must also be improved, not least with respect to the trialogues.

Over-implementation should be avoided

- The EU should develop a definition of gold-plating to avoid over-implementation. Based on this, member states should report transparently to the Commission about implementation and potential over-implementation.
- The Regulatory Scrutiny Board, the EU's legislative control body, should have its mandate strengthened and capacity increased.
- The Commission must be more active in pursuing cases against member states that fail to respect EU law.
- Co-operation should be initiated between authorities, nationally and within the EU, to establish a consensus of legal requirements and thereby reduce the risk of over-implementation, alternatively flawed implementation, at national level.
- The once-only principle should be applied where possible and overlapping regulations must be identified and avoided.

Create a national Single Digital Gateway for national rules related to the single market

- National rules that impact the single market should be made readily available for all market actors in digital form on the Single Digital Gateway.
- A review procedure, with the intention of making it easier for companies to have cases heard, should be conducted. The current legal procedure is lengthy, extremely costly and often only profile cases that can be precedential are brought up.

Legislate at the most appropriate level

- Clear guidelines should be developed that show which issues are best managed at EU level and which are better dealt with nationally and locally. New legislation should be preceded by an analysis of the advantages and disadvantages of shared and continued national control respectively.



Energy, climate, environment and transport

The EU has worked to harmonise environmental policy for many years. This is positive because it has greater impact on the environment and creates a level playing field for business, assuming that regulations are applied in the same way in all member states. However, to enable European companies to compete globally, a balance is necessary in the demands put on them. To unilaterally increase EU demands to too great an extent without other countries and regions doing the same, can undermine European companies' competitiveness and thereby their capacity to contribute to a better environment globally.

The climate issue requires robust international co-operation with global solutions. The EU needs to work on many fronts. On the one hand, a stronger commitment to global co-operation and agreements is needed, and on the other, an efficient climate policy within the EU that enables reduced emissions is also needed, at the same time as companies' competitiveness is considered. To achieve the climate goals set out in the Paris Agreement, secure raw material access and industry competitiveness, the EU Commission needs to develop a strategy in close co-operation with business. In this context, the effective use of resources and a developed circular economy are key.

Adopt a net zero carbon emissions target by 2050

- The EU should adopt a goal of net zero carbon dioxide emissions by 2050; an ambitious target in line with the Paris Agreement, while at the same time creating scope for flexibility. This should be prioritised ahead of revisiting more short-term targets and regulations for renegotiation, which creates uncertainty and impedes the actual work of reducing emissions.
- The EU should be a constructive and leading party to the Paris Agreement to ensure that the entire world moves together in the necessary direction. Therefore, in the coming years, the EU should actively seek dialogues with other countries, especially key EU trade partners, with the aim of encouraging these partners to raise their ambitions and steps taken under the Paris Agreement.

Variable implementation undermines competition

- Work on creating an integrated electricity market needs to continue. All member states should implement the common EU rules on the electricity market. Less fragmentation is needed, for example in the form of national support programmes for renewables and capacity mechanisms. The process of integrating the various electricity markets should continue at varying paces depending on market maturity and functionality.
- The Commission should ensure that member states implement EU directives on energy-, climate- and environmental areas consistently. Overly diversified implementation creates difficulties and can lead to distortions in competition. In areas where national circumstances diverge substantially between the member states, excessively detailed regulation should be avoided.

A new transport policy White Book should be developed

- A new transport policy White Book should be developed that focuses on the EU Commission's new industrial policy. Measurable results for transport's positive and negative impacts on society in the context of Agenda 2030 may be one way of balancing overall transport policy according to the Commission's maxim: "limiting movement can never be an option".

EU ETS should continue to be the key control mechanism for constituent sectors

- The EU Emissions Trading System, EU ETS, should continue to be the key control mechanism as it offers a way to reduce emissions in the constituent sectors cost effectively and predictably over the long term.
- Until primary competitor regions have introduced equivalent carbon dioxide pricing to the EU's emissions trading scheme, EU ETS, the allocation of free emissions rights to sectors exposed to competition must continue. The right to compensation for indirect electricity price increases should also remain.

Review the currently uneven allocation of responsibilities for emissions reductions

- The allocation and follow-up of emissions reduction in the so-called non-trading sector should be reviewed in time. Responsibility is currently unevenly allocated with some member states having emissions reduction targets of 40 per cent while other member states are currently not required to reduce their emissions at all.

Introduce a minimum tax rate for carbon dioxide emissions in those sectors not subject to EU emissions trading

- In conjunction with a review of the EU's energy taxation directive, a minimum tax rate for carbon dioxide emissions in those sectors outside the EU emissions trading scheme should be introduced. This would not grant the EU tax-raising powers, rather the onus would be on member states to introduce national carbon dioxide tax rates at a given minimum level.

Modernise the EU water directive

- The EU's water directive needs to be modernised to incorporate climate change and natural variations in the ecosystem. Current interpretation risks slowing the development of, for example, house building and industrial production. New and existing approaches that apply the best possible technologies must be allowed under the auspices of the water directive. Definitions and methods should be reviewed and scope for exceptions introduced.

A circular economy is necessary to achieve climate goals

- In 2015, the EU adopted a package of circular economy measures in an action plan. The EU needs to go further by reviewing legislation, work for more global agreements and standards and identify and address barriers to trade. The EU should also work to ensure that the same product legislation should apply to EU-produced goods as imported goods under similar conditions of competition and achieve high standards in recycled materials.



The Social Dimension

A social Europe is a Europe characterised by high levels of employment as a basis for high living standards. This is achieved through competitive companies and a balanced economy across the different member states – not through further EU-wide regulations. Rather, the EU’s responsibility is to stimulate member states’ national reforms that support the achievement of employment targets. Given the considerable differences in circumstances and the need for national adjustments, social regulation should therefore continue to essentially be a national competence. Benchmarking under the auspices of the European semester is a better way for the EU to support growth in the member states.

Strengthen EU’s role as catalyst for competition-supporting national reforms

- Within the social dimension, the EU’s role as a catalyst for national reforms supporting competition should be further strengthened. The use of the European semester and the country-specific recommendations contained therein should therefore be developed to highlight what can be done at national level to achieve high levels of employment as a basis for high living standards. Meanwhile, member states should be encouraged to be inspired by each other through best practice and the social scoreboard.
- Through the open co-ordination method, the EU should encourage member states to introduce appropriate structural reforms simplifying companies’ opportunities to recruit new employees, reorganise and adjust.

Much involves what the EU should not do in the area of social policy

- The EU should, however, avoid introducing new rules in the area of social policy when such measures create barriers for companies to employ people or complicate transitions and the reorganisation of work. Much of what falls under the EU’s social dimension does not relate to what should be done, rather what should not be done at the EU-level.

- To enable European companies to find the competence and skills they need, opportunities for posting and hiring throughout the Union need to increase. The EU therefore needs to encourage member states to facilitate such movement.
- Naturally, healthy competition is dependent on existing rules for foreign labour and the hiring of foreign companies being followed. Because this is done most effectively through compliance checks at workplace level, this must remain a national responsibility. A level playing field for competition and working conditions will thereby be safeguarded. The EU contributes best through the provision of information and advice.
- Because labour migration from third countries is necessary for European companies' competitiveness, it is of the utmost importance that EU migration policy promotes – and not hinders – the attraction of talent to member states. New EU rules must not make it harder for employers to be able to recruit workers to all types of professions. A future revised Blue Card directive must recognise parallel national systems.
- In order to enable the adaption to different sectors, hence supporting flexibility and thereby competitiveness and growth, decision making regarding labour market regulation should occur as close to the market as possible. The number of labour market directives should therefore be limited, and the principle of subsidiarity respected as it seeks to ensure that decisions are taken at the most appropriate levels.
- The EU's mandate in the area of social policy should not be expanded. The division of competences outlined in the treaties mirrors the complexity of the related issues, especially in with respect to national circumstances, traditions and practices. As far as Sweden is concerned, further EU labour market regulations threaten to undermine Swedish collective agreements and the Swedish labour market model, as well as complicating social partner cooperation on the Swedish and Nordic labour markets.

The EU should strive to ensure that the free movement of workers continues to function after Brexit

- The EU should strive to ensure that the free movement of workers continues to function seamlessly after the UK's departure from the EU. For business it is important that so-called intra-corporate transfers continue to be possible without becoming an increased administrative burden on companies.