

Coordinated Structural Reform is the new mantra at macro-economic social dialogue meeting at political level

(14 July 2014) "We need structural reform" was the message of all speakers but the ETUC in the macro-economic dialogue meeting at political level.

The meeting was organised by the Italian Minister for Economy and Finance Pier Carlo Padoan. He presented the Italian governments priorities focused on completing the internal market, structural reform and investment as the best way to create economic growth and jobs.

The employers underlined that for them structural reform is needed not just of product and services markets but also of the labour market in which more flexibility is needed. And although the Italian Presidency recognised that there needs to be more focus on investment and especially public investment as this has been hit by the the economic crisis, only the ETUC could present [proposals](#) on how to achieve this.

All other speakers echoed the importance of coordinated structural reforms without recognising the downside of such reform especially when it concerns industrial relations. [Wage dynamics](#) have collapsed in some countries.

EPSU's General Secretary questioned this emphasis arguing that the contribution of the proposed structural reforms to economic growth is not so clear cut and is a very long process whereas the EU needs public investment now to stimulate the economy and create the jobs to tackle unemployment and especially youth unemployment. He reminded that many structural reforms meet with opposition and some have even been struck down by constitutional courts.

[Future Council of Ministers meetings](#) will return to consider structural reform its statement said.

While some EU member states are experiencing economic growth, inflation remains very low with the prospect of deflation looming large risking that business and

people no longer expect inflation to happen. ETUC is arguing that allowing wage dynamics (negotiations between the employers and trade unions) are the way to deal with this. However the [Eurozone Group of ministers focuses on the tax wedge](#), arguing that taxes on labour are too high compared to rest of world. The Country Specific Recommendations, adopted at the meeting of the ministers, argue that Austria, Belgium, Estonia, France, Germany, Italy, Latvia, Luxembourg, Netherlands, Spain and Portugal have a problem with this. It is one of the priorities of the Ministers to lower the tax on labour. Alternatives can be consumption, property and/or environmental taxes.

The meeting brought together the high level delegations of the ETUC, the three employer organisations (BusinessEurope, CEEP, UEAPME), the President of the Council of Ministers for Economic Affairs and Finance and past and future presidencies (Luxembourg, Latvia), President of the Eurozone, President of the ECB, European Commissioners for Economic Affairs and for Social Affairs, president of the Economic Policy Committee (EPC) and president of the Employment Committee (EMCO).

The meeting took place on 7 July 2014, Brussels.

- [Log in](#) to post comments
- [Printer-friendly version](#)

Policies

[Economic Policy](#)